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MASTER'S THESIS IN SOCIOLOGY, TRACK URBAN SOCIOLOGY

# Motivations of street entrepreneurs

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A multiple case study in Shenzhen, China



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## **Abstract**

The informal economy in China is an area that has been mostly overlooked by researchers, while it is an increasingly important part of everyday life in mega cities such as Shenzhen, China. The focus in this research will be on rural-urban migrant street entrepreneurs in the informal economy. These low-skilled occupations do not require high financial investments and thus have a relatively low threshold for entering. Street entrepreneurial activities are quite common to cities in the global South, where an “informal occupation of public space” (Bos 2013) is more commonly found than in cities in the global North. Research into the informal economy has shown a diversified image. Some researchers emphasise the impoverishment and last-resort character of work in the informal economy, while others point to the fact that entrepreneurs in the informal economy made a rational choice for informality. Motivations of rural-urban migrant street entrepreneurs in Shenzhen will be the focus of this research. In a multiple case study, conducted in April 2015, qualitative data was gathered to study the motivations of rural-urban migrant street entrepreneurs in Shenzhen.

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## 1. Introduction

The informal economy in China is a growing, yet understudied part of the Chinese economy (Huang 2009). Street vendors are part of this informal economy. They can be described as those who sell goods or services from the street “without having a permanent built-up structure from which to sell” (Bhowmik 2005: 2256). They may be “stationary”, occupying space on the pavement, or “mobile”, “carrying their goods on pushcarts, or in baskets on their heads” (ibid.). In Western-European countries, street vending is in most cases marginalized, except for tourist spots, in cities in the global South however, street vending is ubiquitous (Liu 2013), yet in most cases prohibited by law (Bhowmik 2005). Bhowmik (2005) stresses that despite the ubiquity of street vending, academic research on the topic is hardly done. He urges for more research, especially because street vending is a growing, and thus an “important segment of the urban informal sector” (p. 2257). Research on the Chinese informal sector in general is scarce, despite its growing economic importance (Huang 2009). Reliable statistics on the informal sector are hard to find, because occupations like street vendors are not registered (Flock & Breitung 2015).

This thesis is the result of a multiple case study on self-employed street vendors in the southern Chinese city of Shenzhen, in the Pearl River Delta. Shenzhen was the first and most successful Special Economic Zone (SEZ), established in 1979. The instalment of the Shenzhen SEZ was meant to spur economic growth through experimentation with economic liberalization (Wang & Wu 2010). As a result of the economic growth, an influx of (mostly rural) migrant workers from the rest of China account for most of the city’s population growth since the late 1970s, from less than 20,000 inhabitants to more than 8.5 million people in 2006 (Wang & Wu 2010). The latest official figures speak of 10.63 million people in 2013 (Shenzhen Government Online n.d.). More than 75% of the population are migrants; the majority are rural-urban migrants who came to Shenzhen to work in the factories (Wang & Wu 2010). On a total of 140 million rural-to-urban migrants in the whole of China in 2008 (Qu & Zhao 2010), Shenzhen is a popular destination for migrants.

Three recent studies about street vendors in Guangzhou (Xue & Huang 2015, Flock & Breitung 2015, Liu 2013), a neighbouring city of Shenzhen, could be a sign of a growing academic interest in street vending in Chinese cities in particular, and the Chinese urban informal

economy in general. Street vendors in Shenzhen however, have not been studied yet. This makes it interesting, because there is material to compare to in a Chinese urban context. I broadened the scope in this research from street vendors selling food and non-food items, which was the focus of the previously mentioned studies, to everyone selling goods and services on the street, including electric bicycle (e-bike) taxi drivers, and decorators. The main reason is that in Shenzhen, as in mega-cities in the global South, “informal occupation of public space” (Bos 2013) for commercial use is very common. In other words, street vendors are not the only ones using public space for commerce in an informal manner. Thus, for a better understanding of the informal street economy in urban China, a broad view is important.

In most Asian countries, street vending is either illegal, or regulated, for example in the form of street markets, or by licensing street vendors (Bhowmik 2005). In China, street vending is forbidden by law and thus prosecuted (HRW 2012). It is however, ubiquitous in urban settings, as it is in its neighbouring countries, illegal or not (Bhowmik 2005). Then why are people becoming street vendors? If street vending is illegal and often cracked down violently (Liu 2013, HRW 2012), what motivates people to do this work? Moreover, who are these people and what are their other options considering the labour market? For understanding the meaning of the existence of street vending in contemporary China, these are important questions (Xue & Huang 2015). Given the fact that Shenzhen is a migrant city, and street vendors in general are often rural migrants (Bhowmik 2005, Liu 2013, Flock & Breitung 2015), the migration factor could also be of importance.

There is academic debate on whether to regard self-employed informal workers as entrepreneurs, or as a precarious workforce, forced by unemployment, discrimination, and poverty. I adopted the approach of Gurtoo & Williams (2009) to look at street vendors as opportunity-driven entrepreneurs, laying emphasis on agency. Gurtoo & Williams (2009) call for “wider investigation of the opportunity-driven entrepreneurial endeavour of many working in the informal sector”. By emphasising agency, the motivations of street entrepreneurs are regarded as an important factor for the reason they are doing that work. According to Webb et al. (2012), one of the research gaps on entrepreneurship in the informal sector are the motivational factors. To explore the motivations for street entrepreneurs, linked to labour market and migration dynamics, I formulated the following research question.

*What are the motivations for self-employment of migrant street entrepreneurs in the informal sector in Shenzhen, and to what extent do their migration and employment history influence their motivations?*

For answering this research question, the following sub-questions are formulated.

1. *What types of street entrepreneurs are active in Shenzhen?*
2. *What are the motivations for self-employment of migrant street entrepreneurs in the informal sector?*
3. *What kind of jobs did migrant street entrepreneurs have before this work, and in what way do experiences in former jobs influence their motivations for self-employment?*
4. *What were the motivations of migrant street entrepreneurs to migrate to Shenzhen, and in what way do these motivations influence their motivations for self-employment?*

The structure of this paper is as follows. In the next chapter, I will discuss relevant literature on the topics of informal economy in general and China in particular, street entrepreneurship, and motivational factors for migrant (street) entrepreneurs. Chapter 3 will give a description of the used research methods and research approach. In chapter 4, the empirical findings will be analysed. In the final chapter, conclusions will be drawn by answering the research questions, and societal implications and recommendations for future research will be discussed.



## 2. Literature review

### 2.1 Informal economy

The informal economy, or informal sector, is a not so easily definable concept. Informal employment is generally characterised by a lack of stability and security, it is mostly temporary, without a formal contract, and no social security benefits (Park & Cai 2011). Informal self-employment usually refers to activities that are not, or to a small degree, covered by “formal arrangements”. This refers to not having the right business permits, violation of zoning codes, tax evasion and avoidance, no compliance with labour regulations, and the lacking of “legal guarantees in relation to suppliers and clients” (Williams & Gurtoo 2012: 393). One way of looking at the informal sector is to define it as an economy completely separated from the formal economy. According to Chen (2007), this dualistic view is too narrow, the formal and the informal are often dynamically linked, and thus should not be considered as separate from each other.

Chen (2007) distinguishes three dominant “schools of thought” of looking at the informal sector: dualism, structuralism, and legalism. Structuralism, also defined as functionalism by Xue & Huang (2015), places emphasis on the production of functional linkages between formal firms and informal workers, firms, and entrepreneurs. Legalism places emphasis on the links between informal entrepreneurs and firms and the “formal regulatory environment”. According to Xue & Huang, in the legalistic view, informality is a response to overregulation by the state; entrepreneurial spirit, flexibility, and autonomy are the focus in this view. However, Chen argues that despite that in each of the views is some truth, the reality is often more complex than these distinct views would suggest. The informal sector is heterogeneous in its forms and often in one way or another linked to firms in the formal sector. For example, an informal street vendor depends on supplies from markets in the formal economy. Bromley (1978) speaks about a continuum; instead of the formal/informal classification, activities can be classified as somewhere in between two extremes.

Although criminal activities are considered part of it, the informal sector is not the same as an illegal, or criminal economy. Most informal activities are not criminal at all. Chen (2007) makes “a distinction between illegal *processes or arrangements* and illegal *goods and services*” (p. 4). Production, and employment arrangements in the informal sector are often illegal, but the

products or services that are produced are mostly legal. For example, a fruit vendor violates the law by operating on the street without a permit, but the fruit he sells is not something illegal, thus his actions can be considered as informal. A drug dealer selling cocaine, on the other hand operates illegally, selling an illegal substance, thus his actions can be considered as criminal. Street vending in Chinese cities is forbidden by law, thus it can be considered part of the informal economy.

In a large part of the world, a significant share of the labour force is informally employed, either in wage labour, subcontracted, or self-employed. Commerce and services like street vending are the most visible informal activities, but also household work, home-based work, construction work, and even manufacturing is very often informal in many cities in the global South (Daniels 2004). In many cases, this means that parts of the production process is informalised by formal companies to cut costs for taxes and labour arrangements. Hiring employees on an informal basis also gives firms financial advantages, because they do not have to pay for taxes, social benefits, pensions, and unemployment and medical insurances for their employees. The reasons that informality is so hard to quantify, is because it is mostly hidden. One of the reasons for the abundance of informal economic activities in mega-cities is that incomes and productivity are generally higher in those cities, which attracts migrants. However, labour supply often exceeds demand for labour, so that many people are dependent on informal arrangements to make a living (Daniels 2004). One example, and as said before, the most visible, is the occupation of the itinerant street vendor, often seen in mega-cities in the global South.

In short, the informal sector is usually classified as activities not covered by formal arrangements, although there is much debate about how to define it exactly. Informal economic activities such as street vending are illegal in the sense there is no license to operate a business. The goods and services being sold however, cannot be considered illegal. All over the world, the informal sector is expanding. It is becoming an important part of the economy, especially in mega-cities in the global South.

### **2.1.1 The urban informal economy in China**

The informal economy in China is expanding, yet it is an understudied field of research, according to Huang (2009) and Park & Cai (2011). Lack of official statistics on the Chinese informally employed and self-employed makes it hard to get good data. Huang (2009)

estimates that in 2006 there were 168 million people working in the Chinese urban economy, both self-employed, as in wage labour. The informal sector has been rapidly expanding, so this number is probably even larger now. The rise of the informal sector was accompanied by, and in many ways a cause of the decline of the state and collective sectors from the mid-1990s onwards (Park & Cai 2011). Statistics show that together with the decline of the state and collective sectors, there was a rise of employment in privately owned companies and limited liability firms, as well as in self-employment. The highest rise however, was in the category 'other'. This suggests that all those who are employed in the category 'other' are informally employed. This could be unregistered employees with formal firms, but also the unregistered self-employed, for example street vendors. Estimations of the share of the urban informally employed in China ranges from 32.8% (Xue & Huang 2015), to 39% (Park & Cai 2011) to more than 50% (Kumar & Li 2007) of the urban labour market, the majority of them rural-urban migrant workers.

The rise of the informal sector cannot be seen separately from the economic reform in China, starting in late 1970s. From the 1950s on, state-owned enterprises (SOEs) guaranteed employment for life and social benefits, symbolically known as the "iron rice bowl" (Kuruvilla et al. 2011). With the step to a market-oriented economy, job and wage security is no longer something people can count on. Private enterprises were legitimised to solve the unemployment of the early 1980s, but first they were seen as complementary to the SOE-sector (Liu & Huang 2013). But as said earlier, from the mid-1990s, SOEs were diminished in favour of privately-owned firms. More managerial autonomy in SOEs, and more private- and foreign owned companies lead to a layoff of workers from SOEs on the one hand, and the start of hiring workers on a casual basis for the privately-owned companies. The implementation of the National Labour Law in 1995 made temporary labour contracts possible, making it easier for firms to hire workers for just a short period and lay off workers. Another outcome of the breaking of "the iron rice bowl" is the labour-discrimination of older workers. In the old system, life-time employment was guaranteed by the state, now employees above the age of 35 face displacement by younger workers, and older job-candidates can, and usually will be rejected for job offerings, because employers prefer younger candidates (Brown 2006). Age discrimination is not prohibited by law, so older employees usually do not have a choice to resort to other options like self-employment. The reforms have brought great social and economic changes in modern China.

Concluding about the Chinese informal economy, as in other countries, the informal economy is becoming more and more economically important. Nevertheless, research into this sector in China is scarce. After the economic reform of the late 1970s, the informal sector, especially informal employment has been rapidly expanding. A highly visible part of this sector are the itinerant street vendor in China's cities.

## **2.2 Street entrepreneurialism**

Street vending, in all its appearances, is found in cities all over the world, especially in developing countries (Wongtada 2014). In this research I have focused on self-employed street vendors, defined here as street entrepreneurs. Williams & Gurtoo (2013) define street entrepreneurs as those who "start-up and/or own or manage business ventures that offer goods for sale to the public on the streets without having any permanent built structure from which to sell" (p. 3). According to them, street entrepreneurship has been overlooked in research, because it does not fit the ideal type entrepreneur of the "heroic figurehead of profit-motivated capitalism" (p. 3). More attention to other types of entrepreneurs would lead to a better understanding of the diversity of entrepreneurship. In other words, street entrepreneurs are in many cases not acknowledged as having entrepreneurial features, but are mostly regarded as victims of their situations, being forced to work as an informal street vendor by unemployment. According to Gurtoo & Williams (2009), this is based on assumptions, not on evidence. By taking agency into account, the motivations for street vending becomes important, on which I will elaborate in the next chapter.

Research on street vendors has shown that it is not a homogenous group, there is much differentiation between street vendors. Bromley (2000) wrote on the diversity of street vendors worldwide. He recognises them as either selling goods, or services, either stationary, or mobile. Street vendors can operate fulltime, part-time, seasonally, or occasionally. Street vending can be a survival strategy, but can also be a profit-driven decision. In some countries, street vending is illegal and there is a zero-tolerance policy against it, while in other countries, it is either regulated, or tolerated. . In some countries, street vending is often done by women, while in other countries, it is dominated by men. In China, street vending is traditionally regarded as a women's job, because they can combine it with house-hold related tasks (Reid et al. 2014). Despite the diversity of street vendors, Wongtada (2014) found some similar characteristics in a literature review of 30 studies on street vending worldwide. Street vendors are mostly from marginalised groups of society, with low education, many are illiterate, and many are migrants, international, as well as internal.

Bromley (2000) gives arguments for and against street vending. Arguments for street vending are: it is an integral part of the economy; it is everybody's right to choose their own occupation; it is a way for many urban poor to make ends meet; a laboratory for

entrepreneurship, and for entrepreneurial opportunities, providing potential upwards social mobility; street vendors satisfy demands from costumers, and provide social safety on the street; due to its low entry barriers, street vending can be used as a means to provide extra income. Arguments against it are that street vending is unfair competition to off-street businesses, because street vendors do not pay tax for their business and do not rent a premises, yet they can take the costumers from off-street businesses; the unregulated character makes it easier to swindle costumers and pose health risks to them, and street vending causes nuisance in the form of noise, congestion, and littering. Because of the often negative views authorities have on street vending, many countries have a policy to remove vendors from the street, often leading to conflict between vendors and those responsible for executing the policy, mostly (para-)police forces.

### **2.2.1 Street vending in China**

Recent studies (Flock & Breitung 2015, Liu 2013) on street vending in China have shown that street vendors are a very heterogeneous group in terms of age, gender, and motivation. Flock & Breitung's (2015) study about street vendors in Guangzhou shows differentiated backgrounds, some work full-time as street vendor, others part-time, next to another job, or seasonal. Some are temporary "leisure time vendors", using their spare time to make some extra money. Liu (2013) found that most street vendors are lower educated than other migrant workers. Most of them are not new arrivals to the city, but have been living there for at least two years. The majority of them had jobs before they became street vendors, mostly in factories, farming and sales. As ubiquitous as street vending may be in Chinese cities, reliable statistics about street vendors are hard to find. Xue & Huang (2015) estimate the current number of street vendors in China on 19.5 million. Liu (2013) however, gives a figure of 30 million, cited in 2009 in *The People's Daily*, the official newspaper of the Chinese Communist Party. Statistics about street vending in Shenzhen are not available, figures from the City Management Bureau however, give some idea of the size of the sector. The Bureau mentioned 2.39 million cases of street vending were cracked down in Shenzhen in 2011 (Liu 2013). It is hard to get a good view on how many street vendors there are in China, Shenzhen is no exception for that matter.

Street vending in modern China has a special history, starting with the diminishing of street vending in the socialist Mao-era 1949-1978. As part of building a socialist state, all economic activity was attempted to bring under state or collective control. Street vendors were seen as

individual business owners, as “petty capitalists”, and were unwanted in the socialist society. Tight control led almost to the disappearance of street vending in China between the early 1950s and the mid-1970s (Liu 2013). After the economic reform in the late 1970s, entrepreneurship was encouraged by the state, and control on illegal street vending was reduced, leading to a “revival” of street vending all over China (Liu 2013). The relaxation of control however, did not mean that street vending was legalised; to this day it is still prohibited. And however the control is not so strict as in the Mao-era, street vendors are still often being prosecuted for their occupation.

Since 1996, a municipal para-police force called *Chengguan*, or city management, are responsible for the handling of street vending. Confrontations between *Chengguan* officers and street vendors often lead to conflict, which gave *Chengguan* officers a notorious reputation. A Human Rights Watch report from 2012 mentions many incidents in which *Chengguan* officers used excessive force to crack down on street vending. The report (HRW 2012) mentions cases where *Chengguan* officers confiscate or destroy goods and equipment of street vendors, while they do not have the legal right to do so. There are stories of intimidation and bribery by *Chengguan*, of unlawfully high fines for street vending, stories about illegal detention by *Chengguan* officers, cases where *Chengguan* ‘subcontract’ patrolling to civilians, cases of intimidation by *Chengguan* officers and their civil helpers. Estimations are that at least 18 people were killed in violent confrontations with *Chengguan* officers between 2000 and 2010 (HRW 2012).

There are many cases where *Chengguan* officers use violence against street vendors, journalist, and bystanders. Between 2010 and 2012 at least five cases of violent confrontations between *Chengguan* and street vendors in Shenzhen were reported by media, these included beatings with batons, steel bars and knife stabbings (HRW 2012). Although Flock & Breitung (2015) mentioned a different approach of *Chengguan* in the city of Guangzhou, more towards a “soft law enforcement”, the HRW report shows a different reality. There have been plans from the Guangdong Provincial People's Congress to legalise street vending through a certification system, allowing vendors to sell in designated places and times (China Daily 2014b). Main goal of the law would be to bring down the number of incidents between *Chengguan* officers and street vendors. This law however, has not been passed, so street vending remains illegal.

Street vendors have different strategies to stay out of the hands of *Chengguan*, as reported by Flock & Breitung (2015) in their study of street vendors in Guangzhou. Being mobile is a strategy, using mobile carts and being able to move quickly. They always have to be on the watch for approaching *Chengguan*. They describe examples of vendors who hire someone to watch out for *Chengguan*. There can also be some kind of “warning system”, when vendors call each other to inform about a safe spot or about approaching vendors. Flock & Breitung call it “crucial” for vendors to know about the zones and times where and when *Chengguan* are patrolling, so they know when to hide and when they can do business. *Chengguan* are generally very selective in the areas and the times they patrol. *Chengguan* officers will patrol along main streets and busy commercial areas, but mostly leave backside alleys, corners and urban villages alone (Xue & Huang 2015). Some vendors “try to build a connection with individual patrol” (Flock & Breitung 2015: 5) by bribing the officers or by showing “overly friendly demeanour”. As diverse as street vendors are in terms of their age and background, so are the survival strategies for staying out of the hand of *Chengguan* officers.

Research has shown that street vendors are a very diverse group. In China, street vending became popular again in the early 1980s, after it was banned for nearly thirty years. There is debate on whether street vendors should be considered entrepreneurs, or a precarious workforce, forced by factors as unemployment. As street vendors are regarded as entrepreneurs, agency is important to be taken into account. The motivations for starting a business on the street are then important to study, as we consider them as actors and not just as being subject to external forces. The next chapter will look into the motivations for (street) entrepreneurs.



### 2.3 Motivations for self-employment

When talking about the informal economy, Davis (2004) notes that it makes “obvious sense to consider most informal workers as the ‘active’ unemployed” (p. 25), thereby suggesting that informal work is a necessity, rather than a choice. Breman (2001) found that informal self-employment was the only option for unemployed workers in an Indian factory town, leading to worsened conditions for workers, with lower wages, no certainties and impoverishment of people. Williams & Gurtoo (2012) however, found that motivations for street vendors in Bangalore, India range from economic necessity with a small group to rational choice with the majority of street vendors. Interestingly, some of the street vendors acquired meaning and identity from their work. They saw themselves more as social, community, and cultural actors, as an integral part of the community. Another study among informal workers and self-employed street vendors revealed a similar outcome (Gurtoo & Williams 2009). Bromley (2000) also mentions that street vending can be a survival strategy, but can also be a profit-driven decision. House (1984) found that the informal sector in Nairobi, Kenya is diverse in motivations, income and productivity. He distinguishes between “enterprising individuals” and people “forced by circumstances”. It thus seems reasonable to distinguish between push- and pull-factors for informal street entrepreneurs. Liu (2013) makes the distinction between “developmental” and “survival” street vendors. Developmental street vendors can be seen as the “choice-driven entrepreneurs”, the “enterprising individuals”, while the survival street vendor is the typical necessity-driven self-employed individual. Wongtada (2014) makes a difference between “opportunity-driven” entrepreneurs and “necessity-driven” entrepreneurs. According to Wongtada, a typical street vendor starts a business because there are hardly any satisfactory options for employment. The opportunity-driven entrepreneur chooses to start a business, because he sees business opportunities. Williams & Gurtoo (2012) however, state that street vendors could also be choice-driven entrepreneurs.

Masurel & Nijkamp (2004) use push and pull-factors in studying Turkish migrant entrepreneurs in Amsterdam. Push-factors are discrimination, unemployment, blocked promotion, and non-transferability of diplomas. Pull-factors are status, market opportunities, need for achievement, independence, and using talents (p. 731). In the context of Shenzhen, not all of these factors apply. Non-transferability of diplomas is not an issue in this case, since Chinese diplomas are nationally valid. Lack of education on the other hand, could be a push factor, as low education is a characteristic of street vendors (Wongtada 2014: 65). Unemployment is

another push factor which can be applied in this research. Of the pull factors, status does not seem to apply, as street entrepreneurship generally does not have a high status, on the contrary even. Market opportunities, and independence can be applied to this research. Need for achievement and using talents are generally not very important in street vending, because the barriers for entry are low and the work usually does not require high skills. When the scope is broadened to services like cobbling, car repair, or hairdressing, skills do matter. Using ones talents, or trying to achieve something could be of more importance then.

### **2.3.1 The Chinese situation**

Liu (2013) found that the motivations of rural-urban migrant street vendors in Guangzhou were quite diverse, and that motivations are related to demographic features and previous job experiences. Liu looked at motivations using survey methods, interviewing and observations. Young street vendors in their twenties who used to be factory workers choose street vending over working in a factory, because of the bad working conditions and the low payment in factories, but also because they wanted more flexibility and freedom. Moreover, they see business opportunities because they are close to people of their generation, and communicative through social media, and thus know about the latest trends. They can easily adjust to new developments and use the internet for purchasing goods and to acquire information about business opportunities. Some of them choose to become street vendor upon migrating to Guangzhou, without looking for another job, and first learn through internet fora and social media about the business opportunities. Here we see a mixture of push and pull factors in the motivations for self-employment. The same goes for street vendors who used to work in sales, they were not satisfied with the salary and used their skills and experience in sales to start up a street vending business. The younger groups of street vendors can be regarded as the “developmental”, or opportunity-driven, rather than necessity-driven.

For street vendors above the age of thirty, different motivations prevail. Factory workers turned street vendors in their thirties, usually do this because the salary from factory work is too low to sustain a family. Street vending has a low entry-barrier, not much starting capital is needed, and the flexibility of the work suits the family life better. But one other reason is that factories rather hire young workers. Thus, street vendors above the age of thirty are generally the most necessity-driven, because they will not be hired by factories, even if they wanted to. Factories generally prefer workers under the age of thirty, because they think that older workers are more expensive and less productive than younger workers (China Labour Bulletin

2015b). So to the 'older' workers, street vending is one of the few option to make a living. Older street vendors who used to work in sales, have the same story. Re-migrate, to go back to farming is not really an option, because that would not provide them with a reasonable enough income. Another group are the peasants who come to the city to work as a street vendor when the crops do not need much attention. This group are the seasonal workers, mostly older people. Street vending will provide them with some extra income. Full-time street vending generally gives an income that is similar to factory work, although it is less stable.

An overview of literature about the motivations of street entrepreneurs shows that there are different motivations for people to start a business on the street. Roughly, street entrepreneurs can be divided between necessity-driven and opportunity-driven. Push- and pull-factors for self-employment are important to study to make this distinction. The study by Liu (2013) showed that different characteristics of street vendors could determine different motivations. But despite all these differences, there is one thing that is common among street vendors in Chinese cities: they are mostly rural-urban migrants (Flock & Breitung 2015). Rural-urban migrants came to the city to find work, some deliberately in street vending, most of them to work in the factory. The motivations for street vending closely relate to their migration history. That is why in the next chapter, I will give an overview of literature on internal migration in China.

## 2.4 Internal migration in China

China has the biggest and most mobile population in the world (Zhu 2007), with demographic dynamics mostly influenced by migration, rather than by birth and death (Gu 2014). This causes some regions and cities to grow spectacularly, as for example Shenzhen, while others lose a great share of their population. The most important phenomenon in this context is the rural-urban migration flow (Qu & Zhao 2011). Mass urbanisation in China did not start until the early eighties.

From the 1950s until the reforms of the late 1970s, migration in China was strictly controlled by the household registration (*Hukou*) system. *Hukou* refers to the system where households are required to register. It was implemented in the 1950s to prevent mass urbanisation, categorising people as 'rural' or 'urban' workers. Once registered as being either 'urban' or 'rural', it is hard to change that status. After the reforms, people were allowed to move from rural areas to cities, but with a rural *Hukou*, people are still denied certain rights in the city, such as education for their children, medical insurance, jobs in the public sector, and government support in case of unemployment (Zhang 2010, Cao et al. 2014). The fact that migrant cannot register, has caused them to only get low-skilled, low-paid jobs (Fan 2003). The *Hukou* system has thus lead to a "two-class urban society" (Zhu 2007), where the registered urban population has more privileges than the migrant population. Zhang (2010) speaks of the "institutional discrimination" of rural-urban migrants. Due to these conditions, migrants are faced with higher transaction costs when searching a job and with fewer jobs available to them. Lu & Song (2006) also found evidence for a wage gap between rural-urban migrants and registered urban residents in the same jobs. There are reforms in the *Hukou* system being implemented by local governments. In Shenzhen for example, people can obtain resident permits if they comply with certain acuirements, such as a high education level and certain skills needed for jobs in the high service sector (Zhang 2010). However, this system still works exclusionary, as most rural migrants have relatively low education levels and lack the skills that Shenzhen is looking to attract. Today, even as the *Hukou* system is not as strict as it used to be, it still is a barrier for many internal migrants in China.

Most migrants of China's migration population remain temporary migrants, part of the so-called "floating population" (Goodkind & West 2002), because they cannot change their *Hukou* from rural to urban. In 2006, 76.7% of the then 8.46 million inhabitants of Shenzhen could be

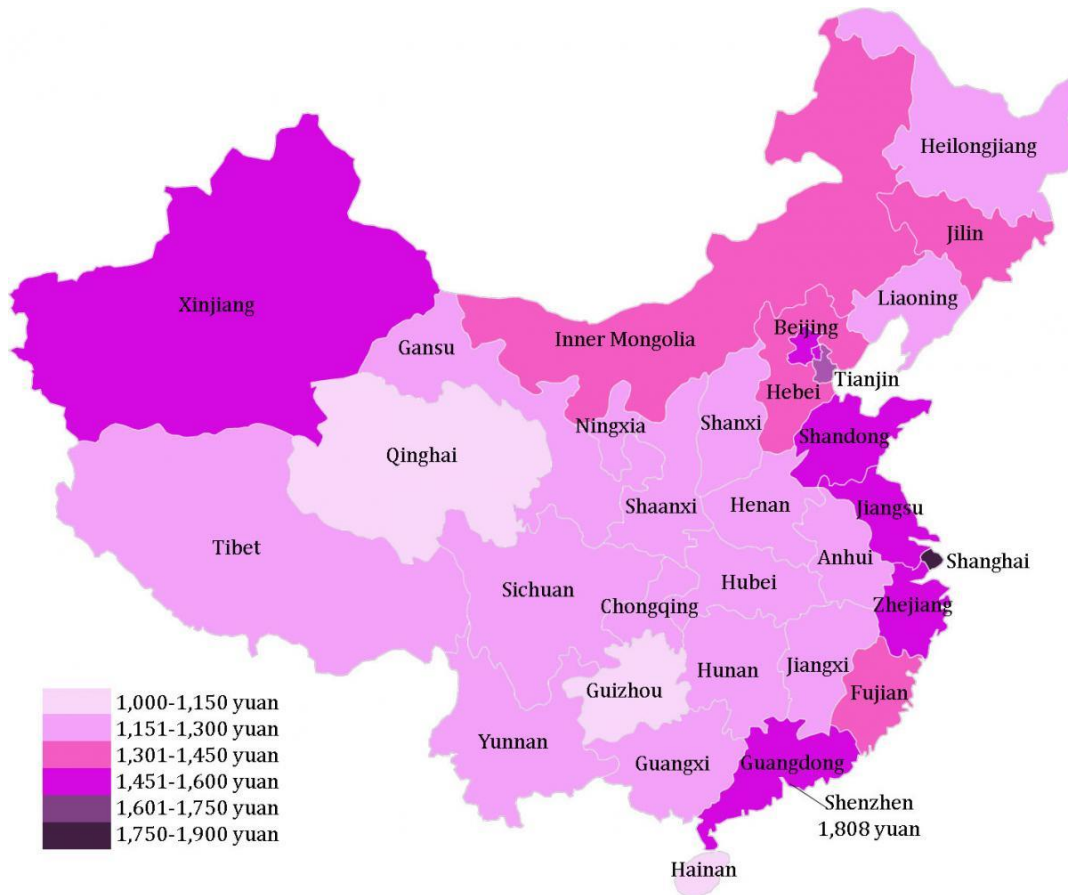
considered migrants, because they had no Shenzhen *Hukou* (Wang & Wu 2010). Interestingly, Zhu (2007) found that most migrants are not enthusiastic to settle permanently in cities. A survey among migrants in Fujian province showed that *Hukou* is not the only explanation for the temporary nature of the floating population. High job insecurity due to fluctuating demands in labour intensive industries, and risk- and income spreading for families also turned out to be reasons for temporary migration. The majority of the migrants choose to remain 'floating', even if they were offered the chance to change their registration to 'urban'. Another explanation that migrants do not stay in the city are the high living costs. Sing et al. (2015) showed prices for affordable housing in Shenzhen have been rising steadily for the last decade. Thus, for the lowest income households it has become increasingly difficult to buy or rent an affordable place to live. Even for middle-income families, affordable housing is a problem. Thus, even if people would obtain urban *Hukou*, there are still obstacles to permanent settlement.

The main motivations for migration are usually the better employment opportunities and the higher wages in cities (Giulletti et al. 2011). China does not have a minimum wage that is the same everywhere, there are great differences, which drives migration decisions. The minimum wage in Shenzhen was 1808 RMB<sup>1</sup> per month in 2014, which was the highest in the country after Shanghai (China Labour Bulletin 2015a). The minimum wage in neighbouring province Guangdong is between 1450 RMB and 1600 RMB, to give an idea of the differences. And even inside provinces there are different minimum wages, which sometimes are not more than 1000 RMB for a rural place. figure 1 gives an impression of the differences between the minimum wages; only the highest minimum wages are shown per province. The regional variation in wages is declining however (Xing & Xu 2015), so perhaps this could have an influence on future migration. The motivations of the first generation rural-urban migrants after the reform used to be mainly economic (Hu 2014). The push factors of little employment possibilities and low salaries made people decide to move to the city, to more employment possibilities and higher wages. Younger generations, though still primarily economically motivated, also tend to have different motivations (Hu 2014). To them, the pull factors of the city matter too, the excitement of city life, and a curiosity for what is happening in the big city. So, for younger generations there is a diversification in motivations for migration.

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<sup>1</sup> RMB is the Chinese currency renminbi. At the time of writing 1808 RMB equalled approximately 253 euro.

figure 1. Minimum wages per province.



Source: China Labour Bulletin 2015a

Summarising the literature on internal migration in China, the following can be said. Until the late 1970s rural-urban migration was strictly prohibited and controlled by the *Hukou* system of household registration. After the reforms of the late 1970s, early 1980s, internal migration was again possible, causing mass urbanisation. The system has created a dual society of ‘rural’ versus ‘urban’ citizens. Migrants do not have the right to the same privileges as urbanites, and cannot settle permanently, making them part of the ‘floating population’ of China. Still, people are migrating to the city, mainly because of the good possibilities life in the city has to offer, as compared to rural life.

### **3. Methodology**

#### **3.1 Research design**

The research had a qualitative approach, because the goal was looking for the stories behind the people: where they come from, for how long have they been in Shenzhen and what their motivations are for starting a business as a street entrepreneur. In other words, the processes behind their behaviour and getting insight into these processes are the focus of the research. A qualitative research method is most suitable for this kind of research (Hennink et al. 2011). The research was also rather explorative, because not much is known about street entrepreneurs in China. A quantitative approach would not have been the right approach for addressing the research questions, because then, it would have been hard to look for meaning in the answers.

The research design took the form of a multiple case study, in Bryman's (2008) words I was "concerned to elucidate the unique features of the case" (p. 54). The different types of street entrepreneurs were treated as cases, with the different individuals as units of analysis. According to Yin (2009), the need for a case study "arises out of the desire to understand complex social phenomena" (p. 9). Yin notes that for studying a "contemporary phenomenon in depth and within its real-life context" (p. 18), a case study is the best method, especially when the context is an important factor in the research. The context in this research cannot be seen separate from the phenomenon I am trying to investigate, because Shenzhen is a migrant city (Wang & Wu 2010). Another factor why the context is important, is the distinct socio-economic position migrants have in China, because of the *Hukou* registration system. This system causes

#### **3.2 Data collection**

Between early April and early May 2015, data was collected in Shenzhen, using interview and observations as my research methods. In this section I will describe the data collection.

##### **3.2.1 Observations**

The observations were important for the more descriptive part of the research: what types of street entrepreneurs can be distinguished; what kind of interactions are there among the street vendors and between street vendors and their clientele; where can they be found, and where not. In other words, the observations are used to get a better view on the research population at hand. These observations were conducted as a "complete observer" (Bryman

2008: 410), without interaction with the research population. I chose different times of day to conduct observations and usually walked up and down the street, sat down for some time, jotting down notes. Sometimes I used to sit for half an hour to an hour at one place, for example at the metro exit, to observe the street. Before doing more structured observations, the first week I mostly did loose observations, purely exploratory to see where I could find the people I wanted for my research. Once I had the site selected, the observations became more structured in nature.

### **3.2.2 Interviews**

For conducting the interviews, help was needed from interpreters to communicate with the street entrepreneurs. Students from the Shenzhen University and Peking University in Shenzhen helped me with executing and interpreting the interviews. An interview guide consisting of four pages (see annex) was created to give the interviews structure. The Chinese students helped with making a Chinese translation of the questions, so that the interpreters had the questions in Chinese. The interviewees were selected by walking down the street that was selected for being the research area, by asking them if we could do an interview with them. Some of them were not willing to do so, without a reason given. Of the interviewees that were willing to talk, they did not want to do so for too long. That is because they were also busy working, so they did not want to lose too much time. That is the reason the interviews were rather short. Sometimes not all questions were answered, because the interviewees did not want to talk anymore. In total twenty people were interviewed, in four sessions. It was rather difficult to find interpreters, because the students also had a busy schedule, so I was dependent on their availability. That is why most of the interviews were done on Saturdays in the afternoon. However, in these four sessions, I tried to interview as many people as possible.

### **3.2.3 Research areas**

Most of my data was collected in the urban village of Baishizhou, though some was collected elsewhere. The choice to do most observations and interviews in Baishizhou had two reasons. The first reason is of practical matter, the second (and most important reason), is because of the distinct nature of the urban village for this research. Starting with the practical matter, Baishizhou was not far from my accommodation, so it was easily reachable for observations and interviews at different times of the day. It was also not too far for my interpreters and



easy to reach for them. The second reason is that Baishizhou is a so-called “urban village”<sup>2</sup>. Urban villages are places where informal economic activities are abundant because they are less regulated than the rest of the city (Hang & Iseman 2009). The urban villages have very closed communities and tend to ‘protect’ others of the community, thus the villages have become a blind spot, or ‘grey area’ for the government to control. Urban villages are usually places where many rural-urban migrants live, because of the availability of cheap housing (Bach 2010). Baishizhou is one of the biggest and most populous urban villages in Shenzhen, where 85% of the estimated 140,000 people are migrant workers (Zhu 2014). It is located next to three popular theme parks<sup>3</sup> and close to the prosperous residential area Overseas Chinese Town (OCT) with (semi-)gated communities and high rise apartment buildings. The green, highly organised OCT area forms a stark contrast with the disorderly, non-planned, crowded urban village of Baishizhou. There is one main street in the village that runs from south to north, that is wide enough for cars to pass each other, and is packed with little shops and restaurants, and street entrepreneurial activity. That street is Shahe Street, where I did most of my research.

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<sup>2</sup> “Urban villages” are former villages that have become part of the city, due to its growth. These villages however, remain to have a special status within the city, physically, socially and institutionally (Hang & Iseman 2009).

<sup>3</sup> Window of the World, China Splendid Folk Village, and Shenzhen Happy Valley. Together these parks attract millions of visitors annually.



Figure 2. The urban village Baishizhou, with in the background high-rise of the OCT area.

The other research area is the square in front of Window of the World, an amusement park that draws millions of (mostly Chinese) tourists. The park generates very distinct types of street entrepreneurs, which are worth studying.

### **3.3 Methods of analysis**

For the analysis, I used written field notes from my observations and transcripts from the interviews. The computer programme ATLAS.ti was used to analyse the transcripts, by using coding according to the concepts from the research question. In that way sentences were selected from the interview which I could then compare in my analysis.

### **3.3.1 Confidentiality**

The names of the interviewees in this thesis are pseudonyms, selected from an online list of Chinese names<sup>4</sup>. In this way, their identity stays hidden. Before starting every interview, interviewees were asked for permission to record the interview. Only one street vendor objected to the recording and did not want to do an interview anymore, after agreeing in the first place. The rest of the interviewees did not object to a recording. At the end of every interview, permission was asked to take a picture to be used in the thesis for illustration. Most of the interviewees did not want this, only a few of them gave permission. Pictures of other street vendors whom I did not interview, but who agreed on their picture being taken were used as an alternative.

### **3.4 Limitations**

There are several limitations to this research. First of all, because I did not speak the Chinese language, I had to use interpreters for conducting my interviews. In the translation from Chinese to English some of the information may get altered or lost. To circumvent things being lost in translation from English to Chinese, I had my interview guide translated by students and double checked by another student. In doing so, I prevented some confusion. Still, sometimes the questions seem to be a little hard to understand. For example, in question C2 I ask about whether the interviewee sees opportunities for his/her business. This question needed some extra explanation, and then still, people did not really understand it. I wanted to know if people saw opportunities for their business to grow, or to evolve into something else, to see if they had a vision of growth for their business. Most of them simply answered, "I see opportunities to make more money". Second, the interviews are rather short, on average ten minutes. The question is whether these short interviews give enough information to tell something about the people. To address this problem, I interviewed several people in one group of street entrepreneurs to get a broader view. Third, I only had four sessions of interviews, because of the limited availability of the interpreters. All of these sessions were in the weekends, and only one of them in the evening. One could say that only having interviews in weekends limits the scope of the interview. The observations however, were also done on week days and evenings. In that way, by comparing observations with interviews it is possible to see if I had missed some things. Some people I spoke to, especially the fruit vendors with push carts were there every day. There is one limitation, which also tells something about the

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<sup>4</sup> <http://www.behindthename.com/names/usage/chinese>

street vendors who work at days. One group I did not speak to are the young street vendors, whom I did see in the evenings. Although this is a very interesting group, I was not able to speak to them, because I did not have an interpreter at hand at the time. Thus, all of my interviewees are relatively older people.

## **4. Findings and analysis**

### **4.1 Shenzhen street economy**

Throughout Shenzhen, street vending is a very visible activity. On pedestrian overpasses, underpasses, on intersections, and near metro stations all types of street vending can be seen. Right after getting off the metro on Shahe Street South, you are confronted with a lively street economy. Directly at the exit there are women offering their services as shoe shiners, they sit there every day. On rainy days, there are people selling umbrellas, so you can have a dry walk from the metro to your home. At the small square in front of the metro station exit, e-bike taxis are waiting to take you to your next destination, hairdressers can give you a quick haircut, or you can get a ten-minute neck and shoulder massage from a street masseur. Further up north, construction workers and decorators are waiting for clientele, killing time with playing cards. Fruit vendors peeling pineapples, or roasting sunflower seeds are getting ready for business. In the evening, moveable barbecues are rolled on to the squares, from which to sell roasted meat, fish, and vegetables. Fashionable young women with mobile racks full of clothes are picking the right spot to sell their goods, while across the street a handbag vendor is getting his business ready for the evening.

### **4.2 The cases: different types of street vendors**

As can be concluded from the short illustration of Baishizhou street life, there are many different types of street vendors on the streets of Shenzhen. In this analysis, I will focus on a few of them, disabled street vendors, decorators and construction workers, street vendors with push carts, e-bike taxi drivers, and the tourist-centred vendors near the amusement park Window of the World.

#### **4.2.1 Disabled street vendors**

For some street vendors, being physically disabled seems to be the main motivation for self-employment. When walking through Baishizhou at evenings, I noticed several street artists performing. All of them were disabled in one way or another. There was one elderly man who was missing a leg; he used the broad sidewalk of Shahe Street as a canvas to make paintings and calligraphies, with which he drew quite a crowd. I have seen young girls, old men, and everything in between, playing musical instruments or singing on the street. People were giving money to them, so the performances provide them with at least a part of their income. However, performers were not the only disabled people I saw working on the street.

Take for example Li, a visually impaired single mother of three, who works as a cobbler on the sidewalk of Shahe Street. She occupies a space of approximately three square meters with her business, and sits there almost every day of the week, at the same place, except when it is raining or when she is ill. For seven years she has been doing this work, in her own words because it is very hard for her to find a good job because of her disabilities. Besides being visually impaired, she also has troubles with her legs, so self-employment was the only option for her. When asked if she would accept a job in wage labour if she was offered one, she answered that she would be willing to take that job, but she regards the chance of that happening very unlikely because of her bad eyesight, which is also very visible to others, because of the grey spots in her eyes. She would also be worried about causing problems when she would work for others. She thus does not seem to regard wage labour as a serious option for her, also because she has learned the profession of cobbler in her childhood, so she has a lot of experience in this work.

Li mentioned she has many good costumers. While I was conducting the interview, she was skilfully working on some shoes. It did not seem to bother her to talk while working. During the interview, which took about fifteen minutes, one costumer came to drop off her shoes for mending. The times I was in Baishizhou for observations, I usually saw her sitting there busy with mending shoes, so her business seems to be doing well. When she started, she only made seven yuan per day, but nowadays she usually earns between seventy and one hundred yuan per day. She also mentioned that people from the neighbourhood, also costumers are very willing to support her financially, because they “know about her situation”. Her situation being disabled, single, and mother of three. She lives in the neighbourhood, so people apparently know her personally. She mentioned some people will give her food to feed her children, for which she is very grateful. So with a mixture of earnings and charity, Li can satisfy her basic needs. Unlike most of the other people I spoke to, Li said she has permission from the city government to work on the street. She told me she has a disability certificate, which allows her to work there. She also mentioned no problems with *Chengguan* officers; because they know about her situation, they leave her alone.

Chen, a disabled man in his forties, who sells ‘lucky bamboo’ plants in the evenings, told a somewhat different story. He has been working on the same spot in Baishizhou for two years

now, after he did the same work in another district in the city. Before he started selling plants, on advice of some friends, he was homeless and made his money by picking recyclables from the garbage and selling those. When I was conducting the interview, he sold plants to relatively many people. Also the other times I saw him, he seemed to be selling quite a lot of the plants. His income however, was rather low; he said he only made 10,000 RMB annually, which is far below minimum wage. When asked for how long he wanted to continue doing this work, he answered he wants to quit doing this very soon, because he does not want to do this for too long. His options are limited however, because of his low education level and his disabilities, so he does not know what he will do after he quits this work. Later in the interview, he mentioned he will keep doing this work if the government allows him to. His ideas about the future thus seem to be quite arbitrary.

Because of his disabilities, Chen said *Chengguan* officers will not punish him for occupying the sidewalk for his business, but sometimes they will ask him to leave. He mentioned he has no license for conducting his business on the street. So unlike Li, who said to have a disability license which allows her to do business, Chen cannot depend on a special arrangement and has to trust on whether *Chengguan* officers will allow him to work.



Figure 3. Disabled street vendor Chen (left) with a customer.

#### 4.2.2 Decorators and construction workers

A very visible group on Shahe Street are the construction workers and decorators. There is quite a large group of them who are there every day of the week. On rainy days however, I saw but a few of them. Sometimes some of them take a nap on one of the couches that are also standing there. There is much interaction between them, they play cards with each other, talk and make jokes. Mostly there are about fifteen to twenty of them. The construction workers, recognizable by their yellow safety hats, all have an electric bike with their electric equipment, mostly a drilling machine, mounted on the back. Most of them are in pairs, a man and a woman. I saw a few of them doing road construction work in Baishizhou at a certain point. The decorators all have a sign on which their services are offered.





Figure 4. Decorator with sign (not interviewed).

Wang, a decorator I spoke with on a Saturday afternoon, said other work does not have as much freedom as what he is doing now. He would not accept a job in wage labour if he was offered one, because he loves the freedom of this work. What he refers to is that he only has to wait for work while sitting on the road. People can approach him for work, because the decorators are always on the same spot, people know where to find them. Even in the weekends, when there is less work, they sit at the same place. Wang has been doing this job for “more than ten years”, and learned the profession when he was young. He came to Shenzhen, because he feels that Shenzhen has many opportunities for work like this. Because he has been doing this job for a long time, he feels he had no other options before starting this work in Shenzhen, but he also did not try to get another job, because he feels that other work does not have as much freedom. Wang however, is not self-employed in an informal economic arrangement. Although he first mentioned that he worked for himself, later in the interview he said he and his colleagues work for a construction company, he also gave us a business card. The company has a business license and pays taxes. What was striking about Wang, is that he was very positive about the work. He told that he could earn 400 RMB per day if he has work, which is the reason he wants to keep doing this work. He said he had no experiences with *Chengguan* officers.

In contrast with Wang's story, stands the case of Zhou, a fifty year old decorator who came to Shenzhen more than ten years ago. Zhou is self-employed, he expressed much more negative feelings about his work. He would accept a job in wage labour because he thinks it would supply him with a better income to support his family. With being a self-employed decorator he earns between 30,000 and 50,000 RMB annually, "not much" according to him, since he has to pay his bills and support his family with that money. It is never certain how much he will earn, because it depends on the work people will offer him. What for Wang is a sense of freedom, is for Zhou uncertainty. He also thinks that in countries like the United States he would earn more money, so he seems generally dissatisfied with the working conditions in China. Wei, another decorator, sitting not far from Zhou, is neither positive nor negative about the work. He has been doing the work for more than ten years now, friends advised him to do this work, after he came to Shenzhen. Wei seems to be satisfied with the work, because it provides him with an income. He used to live in a very poor place, he told me.

The problem with the interviews with the decorators was that I was not able to ask them all the questions. Wang walked away from the interview when his colleagues interfered with the interview and he refused to continue. Zhou said at a certain point "time's up!", and he did not want to say anything more. Interestingly he said this after I asked him about his income, as if the questions became too personal. Wei gave very short answers and his interview was halted when one of his colleagues told him they had to leave. At that point every one of the decorators and construction workers got up and leave quite abrupt, taking their signs and stools. There was no reason given, and there was no time to ask them why they were leaving.

#### **4.2.3 Street vendors with push carts**

From early in the afternoon till late in the evening, street vendors with push carts can be seen in Baishizhou. Their wooden carts piled high with bags of peanuts and sunflower seeds, which they will roast on the spot on a gas fired stove. Others sell pine apples, bananas, apples, or other fruit. A commonly sold refreshment by fruit vendors is a peeled pineapple on a stick for the fair price of three yuan, which they preserve in a jar of water. Other vendors sell socks or cell phone accessories, batteries or mosquito repellent. Most of them are older women, but sometimes you will see a couple behind a cart. Most of them have their cart in side streets of Shahe Street, but still close to it. They will not be found near the metro station, probably

because there is always a bus from the police standing there. Selling things from push carts is after all, as the vendors have told me, illegal. At some places there are three or four carts next to each other, sometimes selling the same things. I have seen no sign of fierce competition however.



Figure 5. Street vendors with push cart, selling nuts, fruit and corn, (not interviewed).

On rainy days there will be less street vendors than normal. 64 years old Ming was the only one street vendor I saw working in the pouring rain on a Saturday afternoon. He had an improvised roof above his cart to protect his supplies (peanuts, fruit and the like) from the rain. On most days he was standing on the same spot as I interviewed him, close to the north gate of Baishizhou. The street is narrower there than on the south side of Shahe Street, more steep and less clean as well. Although costumers usually come at the end of the afternoon and at evenings, Ming is standing there all day. On a rainy day, not many customers will come, so at first Ming was willing to talk to us. After a short while however, he did not like to continue

the interview because the questions got a little too personal for him. His answers were very short, when asked why he choose this job, he simply answered because it is easy work. He did tell us he needed a few thousand RMB to buy the cart and the supplies, he borrowed the money from friends. Any other questions about his finance he did not want to answer however.

For this kind of business, a financial investment is needed to buy the cart and the supplies, as the case of Ming showed. Zhong, a pineapple vendor in her fifties, said she needed 500 RMB for the cart, which a carpenter made for her, and 200 RMB more for the supplies. She got the money from her son. Zhong had her cart set up in a side street of Shahe Street at 5.30 on a Saturday afternoon. She was very willing to tell about herself and was positive about her situation. She has been selling fruit on the street for ten to fifteen years already in other cities, before she came to Shenzhen last year to live with her son. While talking, she continued peeling pineapples in a routinely manner. Interestingly, she has no real necessity for her business, because she lives with her son who earns enough money with his job to satisfy their daily needs. She wanted to pay her part of the rent however, so she decided to sell pineapples in her neighbourhood in Baishizhou. Although she has had some bad experiences with *Chengguan* officers –they took her belongings and she had to pay a fine, she still likes this work. “Entertaining”, she calls it, and “an exercise”, better than sitting at home all day.



Figure 6. Pineapple vendor Zhong with her push cart.

According to one apple vending lady in a side street of Shahe Street, street vendors have to pay *Chengguan* officers a 1,000 RMB fine when they are caught, plus everything will be confiscated, including the cart, the supplies and the money they made during the day. The woman told me that it is a big financial blow when that happens to her, or to most of the street vendors, because they will lose a few months of their income. Not only will they have to pay the fine, but they will also have to buy a new cart and new supplies. To avoid *Chengguan* officers, Zhong now only works late in the afternoon and early in the evening, when she knows they will not be around. Jun, who sells socks, told me that the hours she can work depend on *Chengguan* officers, when they appear, she will leave.

The threat of being caught by *Chengguan* officers has an influence of the behaviour of street vendors. Nevertheless, people will still do this work, perhaps because the alternatives are not very attractive. According to Zhong, people of her age, in their fifties or sixties are not going to find a job in a factory anymore. They will become street sweepers or cleaners, she did not want to do that job. The view that it is impossible to find a job because of high age is something most of the street entrepreneurs that I interviewed share. In the following chapters more people will make notice of this.

#### 4.2.4 E-bike taxi drivers

Omnipresent throughout Shenzhen are battery-powered bicycle (e-bike) taxi drivers. They provide a cheap alternative for normal taxis for short trips, for example from the metro station to work. At a lot of metro station exits you will find them waiting for costumers, but also at busy intersections and urban village gates. They are normally a bit more active in attracting potential clientele than the other street entrepreneurs, by making eye contact, gesturing, and shouting. Competition seems substantial, since there are generally large groups of up to twenty bikes on the busy spots. The threshold for this kind of work is relatively low, because all you need is a bike and you are ready to start as an e-bike taxi driver. Which is probably the reason there are so many. Although e-bike taxis can be seen all over Shenzhen, it is an illegal profession. These taxis operate without any license and are not allowed to offer their services to people. According to one article in the online newspaper Shenzhen Daily, the city struggles to deal with the illegal e-bike taxis, because there are simply too many to control (Shenzhen Daily 2015). They seem to meet a need however, because you can see many people taking a ride on an e-bike taxi. The police has the authority to confiscate the e-bike of a taxi driver, which he/she will get back after paying a 500 RMB fine. Nevertheless, according to one police officer in the article, the taxi drivers will just drive off when the police wants to apprehend them.



Figure 7. E-bike taxi drivers waiting for clientele at Baishizhou metro station, exit D.

I met a group of e-bike taxi drivers in Shekou district, another part of Shenzhen. They were sitting in a dead-end street with abandoned buildings, where they gathered every day in the afternoon to play cards. One of them, Hai, has been doing this work for six years. He owns a shop, but also does this work part-time to earn more money. The reason that he is doing this work is because he thought it was easier than other jobs he used to do before, like working in construction or in a factory. With the taxi work he earns 5,000 to 6,000 RMB per month, for which he does not pay any tax. His colleague Yi also used to work in factories before he started this work three years ago. After the last factory where he worked went bankrupt, he decided he no longer wanted to work for other people, so he bought an e-bike and started doing this job. With what he is doing now, he almost earns the same amount of money as with working in a factory, 4,000 to 5,000 RMB per month. He says the work is good for him, because of the freedom, he does not feel controlled by others.



Figure 8. E-bike taxi drivers playing cards while taking a break from the work.

Jiang, a fifty years old woman I interviewed on Shahe Street, works as one when she does not have to take care of her grandchildren, mostly on Saturdays. With the work she earns about 100 RMB per day. She chose to work as an e-bike taxi driver because she did not need any experience for the work. Most of the taxi drivers I have seen are men, so Jiang is an exception, being a female taxi driver. During my observations I have seen maybe one or two other female

taxi drivers. Asked about her experiences with the police, she told she had been apprehended by them eight times. Every time they confiscated her bike, but they gave her the battery, the most expensive part, back. Thus, she had to buy a new bike, which costs according to her between 800 and 2,000 RMB. The taxi drivers from Shekou did not mention experiences with the police. They said they did not need any license for this work or pay tax over their income, because the government does not know how much they earn. They told this as if it was legal to do so, as if the illegality of their work was unknown to them, but I doubt this to be true.

#### **4.2.5 Street vendors at theme park Window of the World**

One of the three touristic attractions located close to Baishizhou is Window of the World, a 48 hectare theme park hosting replica world-famous landmarks, like a fake Eiffel Tower, one third the size of the real one, a concrete Mount Rushmore, and a room-size Venice square to name but a few. With more than 3.5 million visitors in 2014, Window of the World is one of the most popular amusement parks in Asia (TEA/AECOM 2015). All these tourists flocking to the entrance square of the park, spark specific types of informal economic activities, different from the ones found on Shahe Street in Baishizhou. At the square that lies between Window of the World and the exit of the metro station that goes by the same name, two different types of street vendors can be found: women selling sun hats, umbrellas (depending on the weather), and selfie-sticks, and photographers with good cameras hoping to sell you a picture of your visit to Window of the World. Clearly, these street vendors serve a whole different type of clientele than those I interviewed in Baishizhou. The fruit vendors, e-bike taxi drivers, and decorators aim at the local population, passers-by; the vendors at Window of the World aim at tourists, day-trippers. Thus they sell just the things people might have forgotten when visiting Shenzhen, an umbrella when it is raining, or a hat against the burning sun. The photographers aim at the memory people want to have of the trip, in the form of a photograph. On a rainy Saturday afternoon, I visited the square along with two of my interpreters.

Directly at the exit of the metro station, there were women selling umbrellas and rain coats to people. One of the women selling umbrellas at the metro exit was Xue, a forty year old living nearby. She was carrying a shopping bag full of umbrellas which she sold for fifteen RMB per piece. The umbrella “business” is not her main source of income, she also works as a cook in fast-food restaurants, but these are all temporary jobs and do not provide a stable income. In total she earns between 2,000 and 3,000 RMB per month, the umbrella/sun hats account for



about 700 to 1,000 RMB per month, which will almost pay the rent of 1,000 RMB for her home. So selling the umbrellas gives her some extra income. Because she lives nearby, it is easy for her to sell her things at the square. Before, she also worked in factories, but given the fact that she is forty years old, factories will not hire her anymore. That selling umbrellas is not a full-time profession becomes clear by the case of Mei. Mei is 48 years old and works as a house cleaner for a family, one day per week. The rest of the time she sells umbrellas, sun hats, and selfie sticks. With both jobs she makes about 2,000 RMB per month. Mei used to work for as a cleaner for more than one family, but due to conflicts with those families, she lost those jobs. She said that she likes working alone, instead of with others. So this work suits her well.



Figure 9. Umbrella vendor Mei.

The photographers are a whole different group from the umbrella vendors. Walking around the square, there is a large group of photographers wanting to take your picture, which can be printed by a man inside the metro exit with a printing machine. Judging by the queue of people waiting for their photos, they are not unsuccessful in their attempts.

Photographer Heng works as a photographer at the square in his spare time, because he likes it. Being a successful businessman, he does not need to do this to make a living. When he came to Shenzhen more than ten years ago, this was his first job here. He got to work here

through people he knew from his hometown in the Guanxi region, who were already doing this work. Heng felt the living costs in Shenzhen were very high, so he thought about ways to earn money to make his life as comfortable as possible. With the money he made with photographing and his previous jobs, he started his own companies. He has opened several businesses in Shenzhen, like a clothes factory, a foot massage shop and hotels. Now, at the age of 39, he owns hotels in China and South Africa. With the photographing alone, he can make 10,000 RMB per month, which is a lot of money, compared to Shenzhen minimum wage. He thinks he can make more money than the others because he has a lot of social experiences, mainly because he went to a lot of places before he settled in Shenzhen. Nevertheless, he told that it is very hard work, especially on sunny days when it is very hot. As a photographer, you will have to work nine hours straight in the burning sun to make enough money. Because the story of Heng is so special, it made me wonder if he was telling the truth, or if he was just making up a good story. He took the time for the interview and was very willing to tell his story, a stark contrast with some other interviewees, who were not very willing to tell about themselves.



Figure 10. Heng, photographer and hotel owner.

A whole different story is that of Shun, from Hubei Province, who graduated from college with a major in design. He now works as a photographer because he cannot find a suitable job. Different from Heng, Shun is not self-employed. He works for a company that provides him with room and board, so for the moment this is a good job. As far as he is concerned however, this is only temporary. He is still looking for a permanent job, preferably in management. Shun

seemed on guard, and did not want to talk with us for too long. Half way in the interview, he walked off to try and sell his services as a photographer.

### **4.3 The stories behind migration**

All of the interviewees were migrants from other parts of China who, at a certain point in their lives, choose to come to Shenzhen. They are part of the vast migrant population of Shenzhen, who come there, hoping for a better life.

For some, the choice to migrate related closely to the choice of their family. Fruit vendor Zhong for example, came to Shenzhen to live with her son, who found a job there. So her decision to migrate does not directly relate to better economic opportunities in Shenzhen. She says she does not know if she will stay in Shenzhen, because although her son found a job, she does not know if he will be able to buy a house in Shenzhen. So for her son as well, even with a job it is uncertain if there is a future for him in Shenzhen. The high living costs turn out to be a problem for many. Li, the cobbler and Ning, peanut vendor, expressed the wish to stay in Shenzhen, but they did not think they would be able to buy a house there.

For others the choice to move to Shenzhen does directly relate to better opportunities. Lucky bamboo vendor Chen came from a town in the Hunan region, which has much lower minimum wages than Shenzhen (China Labour Bulletin 2015a), indicating lower labour standards and less opportunities on the labour market. He feels that if he would go back, he would not be able to survive there, because there is no work for him there. Shenzhen for him is a city with many opportunities, even for those who cannot find work in wage labour. Photographer Heng moved to the big city because there are more possibilities to make money than in his home town. Before he came to Shenzhen, he went to a lot of other regions and cities. Shenzhen however, has the best opportunities, although he thinks it used to be easier to make a business successful in Shenzhen, because there was less competition. Heng came to Shenzhen with starting a business in mind, but most people I spoke to came to work in wage labour. Yi, who now works as a self-employed e-bike taxi driver, came from another place in the Guangdong province to Shenzhen because of the high salaries. Before he became self-employed he used to work in factories. The high wages in Shenzhen are also the reason Shun came to Shenzhen, who now temporarily works as a photographer near theme park Window of the World. He has only been in Shenzhen for one month, but he did spend all his savings of 3,000 RMB, while looking for jobs. Losing this amount of money in just one month tells something about the high living costs in Shenzhen too.

Opportunities are usually the reason for people to come to Shenzhen. However, many are planning to return to their hometown eventually. Some simply stated that they did not want to stay in Shenzhen, but want to go back to their hometown, where their family lives. E-bike taxi driver Yi for example, has no intention to apply for a Shenzhen *Hukou*. He and his wife own a house in his hometown, so they have a place to return to. His children, who are now in primary education, are still in his hometown, where his parents look after them. When his children are older, he and his wife will return to look after their children. This is in line with the findings of Zhu (2007), who found that most internal migrants are not enthusiastic to settle permanently in cities, but want to return to their place of origin. These migrants can be characterised as being part of China's "floating population", living in the city, but still having their hometown household registration (Goodkind & West 2002). Yi's colleague Hai also wishes to go back to his hometown once he is older, because his family lives there. He does not want to apply for a Shenzhen *Hukou*. Now he has to earn money for his children's education. Yi and Hai both have a reasonable income, above Shenzhen minimum wage level. This means they can afford to buy a house in their hometown, perhaps save some money for later and make plans for the future. For other interviewees, their financial situation is not that convenient they can afford a house back home. Yet, also these people expressed the wish to go back to their hometown. Fruit vendor Ming said eventually he will go back to his hometown to live with his family. He came to Shenzhen on his own, his family is still in his hometown. Socks vendor Jun said she does not want to stay in Shenzhen, although her children found jobs there. She still wants to go back to her hometown to take care of her parents. So family to return to is very important.

There is also the case of circular, or seasonal migration. Mei, who sells umbrellas near Window of the World, lives partly in Shenzhen, partly in her hometown. For eight to nine months per year she lives in Shenzhen. The rest of the year, in summer and winter she is in her hometown when the crops of her fields need harvesting. Liu (2013) also found these seasonal street vendors with a farmer background in Guangzhou. Seasonal street vending will provide them extra income.

#### 4.4 Education, age and labour market

The people I spoke to were all low educated, with the exception of photographer Shun, who has a college degree. Some have had very little education, like e-bike taxi driver Hai, who never graduated from school. Hui, who has a cargo bike he uses for delivery and other jobs, only has primary education. Xue, who sells umbrellas and works as a cook, also only has primary education. Heng, photographer, wanted to pursue higher education, but his parents could not afford it. There are also quite some interviewees who did not receive any formal education. Umbrella vendor Mei has no educational background, just as cobbler Li, who did not go to school because her mother died when she was very young. Wen, who was sitting on the sidewalk of Shahe Street, selling rock honey sugar, told he never went to school. Ning, peanut vendor, gave her lack of formal education as a reason she could not find another job and thus worked as a street vendor. Her neighbour Xiu also did not go to school, just as pineapple vendor Zhong and her neighbour Jun.

The population of Shenzhen is divided into several groups with different education levels (Liu 2007). The original Shenzhen residents, from before the reforms, had low education levels. With the establishment of the SEZ, higher educated personnel for administration and management functions were brought in. Despite their low education, the original inhabitants gained some economic power through land rights, rent-collection and the ownership of local businesses. Overall however, politically, economically, and socially, newcomers are on the front stage. This group of migrants does not include the rural-urban migrants, who are on average low educated. Migrants who are high educated, with sufficient social capital and the right connections have better possibilities for upwards social mobility. Those without, are generally not so lucky and stay part of the lower stratum of Shenzhen society, where most of its inhabitants are (Liu 2007). Street vendors definitely are part of this group, together with migrant farmers, migrant workers, and non-registered residents in informal employment. Liu (2013) found that street vendors in Guangzhou are on average lower educated than other migrant workers. Perhaps the same goes for street vendors in Shenzhen.

#### Age

Shenzhen is a very young city in every possible way. It is young because as a city, it is only 35 years old. It is also young because the average age of the population is below thirty. In 2005, the age cohort 20-29 made up about 40% of the population (Chan 2010). Some will call

Shenzhen "the city of youth" (Weil 2008). Work in one of the many export-oriented factories is mostly 'reserved' for the youth under the age of thirty. 76% of the employers in Shenzhen demanded workers under the age 35 in 2008 (Wang & Wu 2010), almost half of the employers even demanded workers under the age of 24. Thus, if you are older than 35 and low-educated, your chances on the labour market are rather small. Being older in Shenzhen comes with a price. Most of the people I spoke to came to Shenzhen at a later age, which is a disadvantage, especially when being low-educated. Factories will not hire them, and self-employment or informal employment is way of surviving for them.

Several interviewees mentioned their age being a problem for them to be hired by employers. E-bike taxi driver Jiang, who is fifty years old, did not think a factory would hire her because of her age. After her retirement, which is fifty for women workers in China (China Labour Bulletin 2015b), she did not look for another job. Umbrella vendor Mei told that she tried to find a job in a factory when she was 36 years old, but she would not get hired then because of her age. Now she is 48 years old, so she does not think anyone would hire her, because of her age. Peanut vendor Xiu said the same, because she is in her fifties it is hard to get a job in wage labour. In fact, she said that is the main reason she is selling peanuts from a push cart now. Pineapple vendor Zhong said even if she wanted to be hired by a factory, she probably would not hire her because she is in her fifties. She told that most people from her age find work as a street sweeper or a cleaner. She does not want to do that kind of work, so she decided to work as a street vendor.

#### **4.5 Independence**

One of the pull factors for entrepreneurship is independence (Masurel & Nijkamp 2004). Liu (2013) found that for the younger street vendors in Guangzhou, independence, or freedom was an important factor for self-employment. Some of the interviewees in my research brought the sense of being free as a street vendor up. E-bike taxi driver Yi named freedom as a major reason he chose to do this, the feeling of not being controlled by others. Pineapple vendor Zhong expressed satisfaction with her work, and also mentioned she did not want to work in a factory or as a cleaner. She did not explicitly say independence was the main reason to do this work. However, interpreting what she told me, I sense that independence is important to her, because she does not want to work for others and earning her share of the rent is important to her. Decorator Wang also said he loved the freedom of the work. Wang is not totally self-employed however, because he works for a company. The one with the most need for independence was photographer Heng. Being a businessman is his way to be self-sufficient. For most of the interviewees however, street entrepreneurship was just a way of generating income, not especially to satisfy a need for independence.



#### **4.6 Financial situation**

Street vending takes some financial investment, to buy supplies and equipment. These investments are relatively low, but in some cases extend the amount of a monthly salary. Formal bank loans are generally out of the question, because some kind of collateral is needed, so borrowing money from friends or relatives, or using own savings are usually the ways to get the needed money. Fruit vendor Ming needed a “few thousand RMB” to buy his push cart and his supplies, he borrowed this money from friends. This kind of informal lending is not uncommon in China, according to study by Ayyagari et al. (2010). Informal financing relies more on trust and personal networks than on collateral. Jun, who sells socks from a push cart, borrowed the money she needed to buy her cart and the socks, from friends and relatives. She needed between 3,000 and 4,000 RMB to start up her business.

Others used their own savings to start their business, although the amount of money was considerable. Peanut vendor Ning needed 3,000 to 4,000 RMB to pay for her push cart, the stove and her supplies, which she paid for with her own savings. The same amount of money is what she roughly earns per month. Her neighbour Xiu, also selling peanuts needed slight less money, 2,000 RMB. She also paid for it with her own savings. Heng, the photographer turned hotel-owner, relied totally on his own savings. According to him, you cannot rely on your friends in China. The amount of money you can borrow depends on how trustworthy people think you are. He did not want to borrow from others, that is why he used his own money for everything. So the inherent nature of informal lending is what he dislikes about it, thus he rather resorts to his own capital.

Some businesses do not require a substantial investment. Li, the visually impaired cobbler, said she only needed 6 RMB to get the basic tools. Such a small amount of money is hardly to be called an investment. She slowly expanded her business using the money she made with it. The umbrella vendors at Window of the World only needed little money to buy some umbrellas, sun hats, and raincoats. They could buy this using their own money. The decorators I spoke to needed a few hundred RMB to buy some equipment, which they bought using their own savings. That kind of very low investment should not be a problem for most people. Chen however, who sells lucky bamboo plants, needed to borrow the 100 RMB to start his business from friends. Because he was homeless, he did not have any money to invest.

While the vendors with push carts and the e-bike taxi drivers needed the largest investments compared to the other street vendors, they are also the most vulnerable to prosecution by *Chengguan*, according to the interviews. They risk paying a heavy fine and having their equipment and supplies confiscated. Although the push cart vendors are mobile, they are highly visible to *Chengguan*.

## 5. Conclusion

In this final chapter I present the conclusions from the research. The leading question was as follows. *What are the motivations for self-employment of migrant street entrepreneurs in the informal sector in Shenzhen, and to what extent do their migration and employment history influence their motivations?* Before answering this question, I will first answer the four sub-questions in separate sections. Finally, I will discuss the conclusions and give some recommendations for future research.

### 5.1 Types of street vendors

*What types of street entrepreneurs are active in Shenzhen?*

Many different types of street entrepreneurs have their business on the streets of Shenzhen. From my interviews and observations in the urban village of Baishizhou, I made a distinction between disabled street entrepreneurs, decorators and construction workers, street vendors with push carts, e-bike taxi drivers, and street vendors at the theme park. The decorators on Shahe Street are a group that is probably not be called entrepreneurs. They seem to be informally employed by construction companies, somewhere in between employment and self-employment. The rest of the interviewees can be considered as self-employed. The street vendors at the theme park can be further divided between part-time umbrella vendors and full-time photographers. The part-time umbrella vendors also have other part-time jobs, or do the work to make some extra money. The e-bike taxi drivers work either full-time, and earn a relatively high wage with it, or they work part-time, like one retired woman I spoke to, to make some extra money. The heterogeneity of street entrepreneurs in Shenzhen is in line with previous literature on street vendors by Bromley (2000) and Liu (2013). In my observations I have seen street vendors of different age. Most of my interviewees however, were of relatively high age. Later in the evening and at night, younger street vendors can be seen in Baishizhou.

E-bike taxi drivers and street vendors with push carts have to make a considerable investments before they can start their business. Ironically, these entrepreneurs are also most likely to be apprehended by the para-police force *Chengguan*. The fines they have to pay are usually as high as their investment. I have not found examples of physical abuse by *Chengguan* as

described by Human Rights Watch (2010). Extremely high fines and confiscation of goods as penalty however, are also abuse of power by *Chengguan*.

## 5.2 Motivations

*What are the motivations for self-employment of migrant street entrepreneurs in the informal sector?*

The answer to this question is diverse; there are different motivations for different types of street entrepreneurs. This is in line with the studies by Li (2013), Williams & Gurtoo (2012), House (1984), and Bromley (2000). Street vending is not only born out of necessity, but is also a choice for some. I make here the distinction between “necessity-driven” and “choice-driven”, as Liu (2013) does. The motivations the interviewees usually mention are that the work is easy, that they do not need much experience. Asked about their other options on the labour market, the answer is usually that the other options are quite limited. Thus overall, the street entrepreneurs I have spoken to are generally in the group of necessity-driven. Although there are exceptions to it.

The disabled street vendors are clearly the necessity-driven entrepreneurs, they mentioned that they would not find another job. Employers will not hire them, partly because of their low education, but mostly because of their disabilities. Street vending gives them a way of providing their income. Labour discrimination against people with disabilities is widespread in China, although the disability law legally protects them from workplace discrimination (Brown 2006). Age is often called as a reason for not being hired by employers. Street vending is thus a way out of unemployment. Age discrimination is very common in China (China Labour Bulletin 2015a), and not prohibited by law (Brown 2006). Especially in a city as Shenzhen, where the majority of the people are under the age of 35, being old is a great disadvantage. Push-factors as unemployment and disabilities are the most important motivations for this group.

The e-bike taxi drivers I spoke to were more on the choice-driven side. They chose to buy a bike and start the work because they wanted to be independent. The money they make with it is above the minimum wage level. The pineapple vending lady Zhong also is more choice-driven, because she does not need to do the work, but she likes it. For these entrepreneurs, the pull-factor of independence is most important. Of the decorators on Shahe Street, one of

them called the freedom of the work a motivation to be doing the work, while another one was very negative about the work.

### **5.3 Previous labour market experiences**

*What kind of jobs did migrant street entrepreneurs have before this work, and in what way do experiences in former jobs influence their motivations for self-employment?*

With the exception of the disabled street vendors, all of the interviewees were previously employed. The vendors with push carts, selling fruits and the like, had been doing that kind of work mostly for years; sometimes with other products, like shoes or vegetables. This probably has an influence on the type of work they can do. When people only have experience in one field, limited social capital and contacts and a low education, chances of upward social mobility are low.

One e-bike taxi driver said that he did not want to work in a factory anymore, so he choose to be self-employed. Being controlled by others was for him a negative experience. Negative experiences in factory work are also mentioned in Liu (2013). One umbrella vending lady gave negative experiences in previous work as a reason to be self-employed.

### **5.4 Migration**

*What were the motivations of migrant street entrepreneurs to migrate to Shenzhen, and in what way do these motivations influence their motivations for self-employment?*

Better opportunities for employment and higher salaries are motivations that are usually mentioned. Also the fact that family is already present in Shenzhen is mentioned. The motivations for migration do not seem to influence the motivation for self-employment however. Most of them came either to work in wage labour, or to live with family.

### **5.5 Conclusion**

*What are the motivations for self-employment of migrant street entrepreneurs in the informal sector in Shenzhen, and to what extent do their migration and employment history influence their motivations?*

Motivations for self-employment are in this case diverse, it depends on the group. Sometimes push factors play a big role. The disabled street vendors call their disability as the main reason. Other say, their high age is a problem to be employed, so they became self-employed. But also pull factors play a role in motivations. The fact that street entrepreneurship has a low threshold, in terms of investment and experience was also named as a motivation. It is an “easy” way to make money, despite the hardships of having to watch out for *Chengguan* who might confiscate their goods.

Employment history influences the motivations for some to become self-employed, especially negative experiences. People rather be self-employed, than to work under bad conditions. Nevertheless, age and education seem to play a much bigger role. The older people get, the lower the chances are that they will be employed somewhere. Literature shows a tendency among employers to discriminate people on their age. Being low educated, especially for rural-urban migrants, who usually lack the social capital and relevant contacts in the city, is a great disadvantage. Therefore, I believe that people’s migration history influences their motivations for being self-employed as a street entrepreneur. The push factors of unemployment and bad labour conditions can be motivations. On the other hand, for others, the freedom of self-employment is of much more importance.

## 5.6 Discussion

The presence of street entrepreneurs makes clear the informal and the formal economy are intrinsically linked, as emphasised by Xue & Huang (2015), but also that they provide goods and services otherwise absent. Some informal street entrepreneurs operate in *niche* sectors. E-bike taxi drivers provide in the need for cheap transport over short distances, additional to the public transport system (metro and bus). The theme park Window of the World attracts specific kinds of street entrepreneurs: umbrella vendors and photographers. The street vendors on Shahe Street sell their goods and services at busy sections of the streets, near off-street businesses. The formal economy thus generates certain informal economic activities. What is considered formal and informal is determined by the state however, thus the state plays a role in the existence of the informal sector.

Street entrepreneurialism is a way of making a living for the people I spoke to. The difficulty of being formal employed after the age of 35 (Brown 2006) seems to be a major push factor for

informal self-employment. Informal street entrepreneurialism has low entry barriers with regard to financial investments. Yet, these kind of businesses are unwanted by local authorities, who crack down on street vending. Street vending is illegal, the question is, why? These street enterprises are also part of the Shenzhen economy. Informality can easily be called 'normal' in the Chinese situation, as it is a major part of the economy, especially in urban villages as Baishizhou. Xue & Huang (2015) mentioned the selective patrolling of *Chengguan*; they tend to only patrol on main streets. Moreover, in times of big events there is a tighter control on street vending. Xue & Huang place this in the realm of neoliberal policies; the presentation of the public space does not allow for businesses on the street.

So is there a "right to work on the street" as Meneses-Reyes & Caballero-Juárez (2014) call it? The general public seem to be at the hand of the street entrepreneurs, according to one news article (China Daily 2014a). People accept street businesses as a normal part of city life and do not agree with the often harsh methods of *Chengguan*. Ideas from the regional government to legalise and control street vending also seem to point to the direction of acceptance. It is still illegal however, and the ongoing restructuring of Shenzhen are making urban villages like Baishizhou, with many informal arrangements, disappear. In places such as the OCT area, the prosperous highly organised residential area near Baishizhou, there is no place for street entrepreneurs.

## 5.7 Future research

The view on street entrepreneurialism in China remains limited, this research was a small step towards understanding the phenomenon. For future research, a study over a longer time period is recommended. This is important for building trust with the research population, which can lead to better results with a qualitative approach. This research focused mostly on older street entrepreneurs, who are an important group regarding to the right to exist in such a young city as Shenzhen. However, it would be interesting to also look at the younger group of street entrepreneurs, who generally have more options on the labour market than the older ones. Finally, this research and also the study by Liu (2013) focused on the 'supply-side', but what do we know about the 'demand-side', the costumers of street businesses? Reid et al. (2010) also called for research into the motivations of customers for buying from street vendors. In the case of Shenzhen in particular, research to the supply and demand side of e-

bike taxis would be most important, since many people use them, but the authorities want to get rid of them.



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## Annex. Interview guide (in English and Chinese)

Hello, I am a student from the University of Amsterdam in Holland. I am doing a research about people who work on the streets of Shenzhen. Are you willing to cooperate in this research?

您好，我是荷兰阿姆斯特丹大学的学生。我正在做一个研究，关于在深圳街头工作的人。您愿意参与这个调查么？

Is it okay if we record the interview?

我们可以对整个采访进行录音么？

All answers that you will give us will be anonymous and will be treated confidentially. They will only be used for this research.

所有的采访是匿名的。采访结果将被视为机密，仅用于研究。

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### PART A: About the business

A部分：关于工作

- Are you the owner of this business or do you work for a boss/company?
- 您现在的这份工作是自己当老板，还是为某个老板或者某个公司、集体工作？
- What is the main product or service of your business?
- 您工作的主要内容是什么？比如，卖哪些东西，卖给谁？接待哪些人，怎么接待？
- For how long have you been doing this work?
- 您做这个工作多久了？
- Is this the only job you have?
- 这是您现在唯一的工作么？
  - o If not: what other job(s) do you have?
  - o 如果没有：您还在做什么工作？

- Do you always work at the same place, or do you have different places where you carry out your business? Why?
- 您总是在同一个地方工作么？还是会在不同的地方工作？为什么？
- How many days per week do you do this work?
- 你一周有多少天做这个工作？
- How many hours per day do you do this work?
- 你一天有几个小时做这个工作？

**PART B: about the motivations**

**B部分：关于动机**

- Why did you choose this business?
- 您为什么选择做这样的工作？
- Is that the only reason?
- 那是唯一的理由吗？
- Are there any other reasons?
- 还有其他理由吗？
- What other options did you have when you started this business?
- **在您开始这份工作的时候，还有其他选择么？有的话，是什么？**
- Have you tried to get another job before starting this business? Why (not)?
- 在开始这份工作之前，您曾尝试去做其他您感兴趣的工作么？情况如何？
- Would you still be doing this work if you were offered a job in wage labour? Why (not)?
- 如果你有了一份雇佣职业，你是否还会做这个工作？为什么（不）会？
- Did you already know someone in this sector?
- 您认识和您做一样工作的人么？
  - o If the answer is yes: Who? What is your relationship to this person?
  - o 如果有：是谁？您和他是什么关系？

**PART C: about expectations**

**C部分：关于期望**

- For how long do you plan to be doing this work? Why?
- 你计划做这份工作做多久？为什么？

- What kind of opportunities do you see for your business?
- 你在你的职业中希望得到什么机会？

PART D: about legal issues

D : 有关合法与否的问题

- Do you have a permit from the government for this business?
- 你的生意有货的政府颁发的许可证吗？
- Do you pay tax for this business?
- 你的生意有缴纳税吗？
- Where do you get your supplies? (and/or equipment/tools)
- 你从哪里拿到提供的原料？
- Do you have experiences with city management or the police?
- 你是否经历过被城管或警察驱赶？
  - o If the answer is yes: can you describe these experiences?
  - o 如果有，你可以描述一下当时的经历吗？

PART E: about finance

E : 关于经济

- How much money did you need for starting up this business? (and for what?)
- 你需要多少钱来启动你的生意工作？
- How did you get this money?
- 你如何获得该笔金钱？
  - o Loan from a bank
  - o 向银行贷款
  - o Loan from family/friends
  - o 向家人朋友贷款
  - o Loan from someone else (not family or friends)
  - o 向别人（除开家人朋友）贷款
  - o Own savings
  - o 自己的储蓄
- What are your earnings for this business (RMB) per month?
- 你这个生意收入多少？

PART F: about migration 关于移民

- Were you born in Shenzhen? 你是在深圳出生的吗? (你是深圳本地人吗?)
  - o If not, where were you born? 如果不是, 你是来自哪里的?
- When did you move to Shenzhen and why? 你什么时候来深圳的? 为什么?
- Was Shenzhen the first city that you moved to? 深圳是你离开家乡后到的第一各城市吗?
  - o If not, can you tell which other cities you moved to, when and why? 如果不是, 你能告诉我你还到过哪些城市吗? 什么时候去的? 为什么去那?
- Do you have family living in Shenzhen? 在深圳有你的家人吗?
- What is your hukou? 你的户口是什么?
- Do you plan to stay in Shenzhen? Why (not)? 你有计划要留在深圳吗? 为什么 (没有)?

PART G: personal characteristics 个人信息

- What is your year of birth? 你出生年份是什么?
- What is your education level? 你的受教育程度是怎样?
  - o No formal education 没有接受过教育
  - o Primary education 小学教育
  - o Secondary education 初中教育
  - o Higher education 高中教育
- Do you feel that your education level is a disadvantage when looking for a job? Why (not)? 你觉得你的受教育程度对你寻找工作不利吗? 为什么 (不觉得)?

Thank you very much for this interview. Can we take a picture of you that we can use for the research? 非常感谢您参与这项问卷调查, 能否允许我们拍张您的照片以便用于调研?