

Chiu, Chihsin

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## **From Self-management towards Private Management: Changing Approaches to Decentralized Management of Street Business in Taipei<sup>1</sup>**

**Chihsin Chiu**

Assistant Professor

Department of Landscape Architecture at Fu Jen Catholic University

No. 510, Zhongzheng Road, Xinzhuang District, New Taipei City 24205, Taiwan

Email: 083946@mail.fju.edu.tw

**ABSTRACT.** Given that street business is conducted in highly place-specific fashions in different countries, the management of street business as an example of managing urban informality is a subject well worth investigating in the context of urban management. Drawing upon theories of decentralized management, this paper examines the ways in which the Taipei City Government regulates street vendors. This study adopts a qualitative method that includes interviews with members of the street vending community and archival research to identify evolving management strategies. Historically speaking, the management of the Shilin Night Market adopted a mixed approach that incorporated the municipality's oversight, the vendors' organization management, and local proprietors' management. Specifically, the street vendors' self-organized entities negotiated (and cooperated) with the Market Administration in a way that eventually allowed them to occupy a formally built interior market. They also coordinated with private landowners to conduct their businesses inside storefront arcades and on street sides. More recently, the Market Administration implemented an arcade vending allocation plan to handle the unlicensed street vendors who had been occupying the streets and arcades since the early 1990s. Though decentralization has historically helped the market to thrive, two primary issues have emerged. The first is the partial participation of dominating interest groups, which prevents a democratic decision-making process and eventually influences the residents' everyday life experiences in the neighborhood. The second issue results from the established street vendors' spatial exclusion and territorial control as obstacles to fair resource allocation for newly arriving street vendors. This paper argues that in place-based decentralized management, community diversity and social ecology influence the effectiveness of management outcomes. The

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conclusions summarize the social and political implications of this study, providing suggestions for urban policy implementation.

**KEYWORDS.** *Street vendors, decentralized management, self-management, private management*

## 1. INTRODUCTION

Given that many Asian cities have increasingly adopted entrepreneurial or neoliberal urban policies in the 2000s (Ong, 2006; Jiang, Jou, & Wu, 2010), empirical studies suggest that most of these local governments must manage their cities by including, instead of eradicating, the urban poor (most of whom work in the informal sector) while pursuing development (Xue & Huang, 2008; Yeo, Hee, & Heng, 2012). Considering street business prevails in different countries and its governance works in a highly place-specific fashion, managing street business, as an example of managing urban informality, is a subject well worth investigating in the context of urban management. This paper responds to this gap by conducting a case study of the Taipei Shilin Night Market.

The study adopts a qualitative method that includes interviews with various community actors and archival research to identify evolving strategies for the decentralized management of the Shilin Night Market. Research has found that street vending management in Shilin adopts a mixed approach incorporating the Taipei City government's oversight, vendors' organization management, and proprietors' management. I use the concept of "decentralized management" to examine the ways in which the Taipei City Government regulates street vending space. Previous studies of decentralized management have focused on "formal sector" affairs such as health care, infrastructure, and public services (Casari & Plott, 2003; Suwandi, 2012; Rilbeiro, Vierra, & Rilbeiro, 2012; Bernardes et al., 2011). They suggest that democratic decision-making and bottom-up policy implementation are critical factors for the successful outcome of decentralization (Bernardes et al., 2011). In addition, a combination of governmental support, monitoring, and assistance sustains decentralized management policies (Vaughan, Mills, & Smith, 1995). This paper argues that in place-based decentralized management, community diversity and social ecology influence the effectiveness of the outcomes.

The decentralized management of the Shilin Night Market evolved from self-management to private management. Self-management implies that the street vendors' self-organized entities negotiated (and cooperated) with the Market Administration in a way that eventually allowed them to occupy a formally built interior market. They also coordinated with the private landowners to operate business inside storefront arcades and on street sides. More recently, the Market Administration implemented an arcade vending allocation plan to handle the unlicensed street vendors who had been occupying the streets and arcades since the early 1990s. In preparation for their relocation, the municipality legalized vending in storefront arcades within a designated area in the northern part of the Shilin Night Market. The city required vendors to rent arcades from the property owners there and provided public policing to keep the vendors off the streets. Field research has found that the arcade vending allocation privileges the interests of

specific local property owners and shop owners over those of the street vendors. Interviews with local retailers, street vendors, and association members emphasized their perception of and reaction to the plan. As the actors involved in the management become diverse, the issues of managing informality become complicated as they engage property rights and competing community interests. Decentralization as a bottom-up, process-driven management style became a top-down process when the city created a decentralized model dominated by property owners.

These changing approaches transferred the managerial power from the center (the Market Administration) to the periphery (the local community) (cf. Kajcsa, 2012). Though decentralization, historically, has helped the market thrive, the discourses of the locals' perceptions suggest two primary issues. The first is the partial participation of dominating interest groups, which prevents a democratic decision-making process and eventually influences the residents' everyday life experiences in the neighborhood. The second issue results from the obstacles created by spatial exclusion and territorial control to fair resource allocation in terms of where and when the street businesses should be set up and who can access these locations. Studies suggest that decentralization enhances civic participation and efficiency in urban management (Xue and Huang, 2008; Morrell, Tuerah, and Sumarto, 2011). However, this paper argues that community diversity and social ecology should be considered the basis of a decentralized management model. In the Shilin Night Market, issues of people, place, and society exist simultaneously. In Taiwan, managing informality currently goes beyond allocating resources for social marginality; it is about balancing various community demands. The concluding remarks argue that the government should implement a vending management policy to balance multiple interests comprehensively. Any decentralized management mechanism needs to be subtly designed for it to be optimized. This paper offers a new perspective of urban informality and decentralization as a way of urban management that can inform and be informed by the case of a Taiwanese night market.

## **2. OVERVIEW OF THEORETICAL ARGUMENTS**

### ***2.1. Street vendors and urban marketplaces***

Street vending, as a form of informal economy, escapes state regulations and takes place at flexible locations (Castells and Portes, 1989). Taiwanese street vendors have historically included unemployed individuals and voluntary ones who seek out alternative career paths (Yu, 1995,

1997, 2005; cf. Smart, 1989).<sup>2</sup> Spatially and geographically speaking, the changing marketplace landscapes embody principles of modernization of street vending. In Taiwan, modernization started during the Japanese colonial period (1895-1945) when the Japanese colonial government regulated Taiwanese vendors by building city-run marketplaces. After the Chinese Nationalist Party regained sovereignty over Taiwan in 1945, it took over Japanese-built public marketplaces, while constructing additional ones to incorporate existing, non-regulated vendors. The city, then, built additional markets to replace deteriorated markets built during the colonial period (Wu, 2004).

Insofar as modern marketplaces began as city-provided accommodations that aimed to formalize the street economy, there has been a tradition of tolerating street vending in Taiwan as well as in the other East and Southeast Asian countries. The rapid modernization of Taiwan between the early 1960s and the 1990s challenged urban authorities to apply modern urban planning principles to meet the booming demand of the urban population for space and services within a limited land area (Miao, 2001; Danieri and Douglass, 2009). Such a background prevented Taiwan from becoming suburbanized at the stage of transition to modern industrialization, therefore, it preserved city-run, downtown marketplaces around which street business prevails. We, then, need a theoretical framework beyond modernity-related perspectives to inform complex relationships between state interventions and street economy in Taiwan.

### ***3.2. Governing street business from the perspective of decentralized management***

The literature on the management of urban resources, including public services, public facilities, housing, and infrastructures, began to emphasize the role of the manager in the 1970s in the West; the trend contributed to the growth of urban managerialism as a formal theoretical framework (Pahl, 1970, William, 1978; McGill, 1998). This framework suggests a necessity for the manager or gatekeepers to allocate resources so that the majority of citizens can access them because such urban resources and services are scarce (Pahl, 1970; Kujuwa, 2006). Practically speaking, urban management as an administrative tool involves “a set of activities which together shape and guide the social, physical, and economic development of urban areas” (Sharma, 1989, p. 48). Urban managerialism directs the resource allocation principles that are used mainly by

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<sup>2</sup> Especially over the past two decades, Taiwan has witnessed an increasing number of young people working in night markets to pursue alternative employment opportunities. Night markets began as a niche where early immigrants maintained basic livelihoods. A couple of decades later, street vendors found opportunity for social mobility as the market gained popularity among citizens and tourists.

local governments to promote economic development and civic well-being. More recently, decentralized management adds to this analytic framework because it addresses the significance of the managerial power transfer from the center to the periphery, that is, from the central authorities to the local administration (Casari & Plott, 2003; Suwandi, 2012; Bernardes et al., 2011), and even to the community (Rilbeiro, Vierra, & Rilbeiro, 2012; Zulu, 2012).

The guiding principle of decentralization suggests that local administrations are more sensitive to attending to the needs of the local people than are the central authorities (Vaughan and Smith, 1995; Kajcsa, 2012). Specifically, elements that have been decentralized are allocation methods and management. Allocation involves resource and service distribution. The subjects of management include property (Casari & Plott, 2003), staff (Bernardes et al., 2011), and resources (Rilbeiro, Vierra, & Rilbeiro, 2012; Zulu, 2012). The relationships between the central and the local in any decentralized model influence its levels of effectiveness. For example, Casari and Plott (2003) studied how villagers in the Italian Alps develop a special institution for managing common property resources. The population there develops contracts among themselves that are subject to the approval of the regional government to monitor and sanction those violating the property rules.

Nowadays, private governance in urban management, or governance mechanisms in pro-development urban contexts, prevails. A variety of post-industrial spaces, such as public marketplaces, factories, and warehouses in the United States were privatized by investors who converted them into modern commercial facilities or housing (Boyer, 1992; Zukin, 1982 & 1995). Public spaces around these facilities were strictly guarded by private proprietors, corporations, or public-private partnerships and reserved only for uses that would increase property interests or the benefits of local businesses (Mitchell, 2003; Smith, 1996, 2001; Zukin, 1995). Private managements morphed subtly into new forms when many business improvement districts (BIDs) were created in the United States and the United Kingdom. As a substitute for the local government, a local business partnership in any BID manages a defined neighborhood by investing in its street maintenance and security (Peel, Greg, & Alex, 2009). The private partnership enjoys its privileges in excluding unwanted users and activities, facilitating the urban gentrification process (Smith, 1996).

Although self-management or community-based management enhances civic participation, recent studies have demonstrated complicated problems and some under-researched downsides of decentralization. Petak (2011) identifies centrally controlled decentralization that neglects the influence of alternative proposals made by diverse, horizontal policy actors as a cause for the failure of decentralization. Becerra's study of the provision of public education (2012) finds different degrees of managerial autonomy in different institutional contexts that affect cost and production efficiency. Bernardes et al. (2011) suggest that a bottom-up implementation is as

important as internal communication and shared decision-making in the model of collective management in a public hospital. Ribeiro, Vieira, and Ribeiro (2012) advocate participatory and decentralized management involving civil society, resource users, and governmental bodies.

Although these studies uncover critical issues of decentralization, they focus on the affairs of the formal sector, such as health care, infrastructure, common property, natural resources, and public services (Bernardes et al., 2011; Casari & Plott, 2003; Kajcsa, 2012; Ribeiro, Vierra, & Ribeiro, 2012; Suwandi, 2012). It seems that urban informality, such as that of extralegal businesses or economic activities, is not managed or allocated by any local authorities. In reality, modern Asian cities include street economies in their urban management domains via such methods as designating a single area (Chai, Qin, Pan, Deng, and Zhou, 2011) for vending activity, requiring licensure (Chiu, 2010), and banning street vending (Lincoln, 2008). More recently, the local states have found allowing local communities to develop self-governed entities to manage street workers economically efficient (Xue and Huang 2008). In Indonesia, for example, the local authorities value the street traders' participatory practices to integrate street trades into local economies. The street traders' representative organizations negotiate with the municipality on relocation options and demand changes if necessary (Morrell, Tuerah, and Sumarto, 2011).

Decentralized community groups compromise the local states' management of street vendors because the local states often lack political will, administrative expertise, and innovative management strategies for handling urban informality (Morrell, Tuerah, and Sumarto, 2011). In general, methods or forms of managing informality in developed and underdeveloped Asian cities benefit from a prevailing "decentralized management," in which local communities share the government's duties. Decentralized management is therefore a suitable analytical approach to contemporary policies governing a typical Taiwanese night market, where various interest groups compete with one another in decision-making (cf. Ribeiro, Vierra, & Ribeiro, 2012). Because most studies on decentralization examine local policy institutions rather than the local communities, the case of the Shilin Night Market also fills the gap by including issues of community diversity and social ecology.

### **3. CONTEXTS OF DECENTRALIZED MANAGEMENT IN THE SHILIN NIGHT MARKET**

Shilin District, located on the north side of Taipei, is one of the sixteen wards of Taipei City and one of the earliest locations in Taiwan where Chinese migrants settled. The first wave of Han migration to Shilin happened in 1800. In 1859 (during the mid-Ching Dynasty), a fight primarily for real property between two major Chinese immigrant groups from Zhangzhou and Quanzhou



in Mainland China broke out near the early settlements in North Shilin. The arson caused by this fight ruined a great part of their settlement, forcing residents to relocate to the south side of Shilin District, where the current Shilin Night Market is located. These two immigrant groups built Zichen Temple located at the center of their community surrounded by four main streets, Dadong Road, Danan Road, Daxi Road, and Dabei Road. The temple and the plaza outside it gradually became a religious and community center where local residents practiced religious activities and socialized with their neighbors (Shih, 1990).

As South Shilin was located on Taipei Basin surrounded by Yangming Mountain and the Keelung River, both of which afford abundant food resources, it gradually became a wholesale center for fish and agricultural produce, attracting farmers from the northern region of Taipei City who gathered there to sell their products. As the number of produce vendors increased, the Japanese colonial government built two indoor markets in 1909 at a site across from Zichen Temple to allocate indoor vending spaces (Shih, 1990). In the early 1960s, nighttime food vendors took up most of the public space outside two wholesale markets, which, started gradually declining. Vacant daytime vending units increased as the number of nighttime vendors increased. By 1970, a non-planned night market had taken its preliminary shape in Shilin District. Shilin Night Market has since evolved in its forms and management patterns, as discussed below.

Street vendors organize themselves locally around different locations to operate their businesses. Their organizations negotiate access to plazas, alleyways, and street corners with local community members. In the beginning, most vendors occupied the temple plaza, but then some intruded onto the property of the temple. The Municipality started regulating nighttime vendors when their businesses became a problem for the local community. As requested, the Municipality demarcated an open lot behind the temple as a vending location, providing electricity and gas and charging rent. However, many vendors continued to congregate in front of the temple, pushing the Municipality to build a roof covering the open lot outside two wholesale markets, designating vending stands under the roof, and to open the two wholesale markets for vendors to use at night (Yu, 1995). During interviews conducted for this study, local retailers explained that the Municipality asked vendors to draw lots for space because of the limited space. 538 vendors received vending licenses, paying license fees. Those persistently lining the temple fences were not included in this recruitment process but instead registered with the Market Administration, which then fixed their locations.

The growing business opportunity also attracted more vendors, leading to a continual expansion of vendors' stalls onto nearby open space. City officials acknowledge the facts that most retail businesses depend on the crowd drawn by street vendors to thrive. Given the economic interdependence as well as the cultural flavors, my interviews with the Market Administration representative suggests that the Municipality found it necessary to manage, but

not eradicate, unlicensed vending. As the licensed vendors gathered here kept bringing relatives into this already overcrowded place to start businesses, the city in 1990 removed the roof that attempted to reduce the number of vendors. Subsequently, street vendors have persisted in this area by building rooftops and canopies on their own to continue business under difficult conditions with the Municipality's tolerance.

#### 4. RESEARCH METHODS

I use qualitative research methods combining semi-structured interviews and archival analysis. A total of 25 in-depth, semi-structured interviews with key informants were collected. They include legal and unlicensed street vendors, members of the business improvement association and the retailers excluded from it, a city official, and an architect. The number of interviewees was determined by the quality of the data (typical of qualitative research). When the interviewees' answers became repetitive or cohesive patterns emerged, the quota for that category of interviewees was reached and analysis of the transcripts began. Interviews were conducted during three months in 2009, after the enactment of the arcade vending allocation (from December 2012, one year after the new interior market opened to the public, through March 2013). Research archives include locally produced documents, marketplace building codes, and architectural layouts and documents provided by the association, architect, and local authorities. An interview management table is listed below.

Interviewees	Locations/Profiles	Themes of questions
Street vendors #1-4 (N=4)	In the new interior market	Opinions about self-management management rules
Street vendors #5-7 (N=3)	In the arcade vending district	Opinions about Shilin Old Street business improvement association
Unlicensed street vendors A-E (N=5)	Dadong Road; Wenlin Road	Experiences of street vending and reasons for not renting legitimate arcade space
Members A-F (N=6)	The Shilin Old Street business improvement association	Experiences of participating in the arcade vending allocation plan

Interviewees	Locations/Profiles	Themes of questions
Retailers A-E (N=5)	Operating inside the district, but not part of the association	Opinion on the arcade vending allocation plan
The Market Administration representative	The official in charge of street vending affairs in the Shilin Night Market	Background of the arcade vending allocation plan Relationship to and ideas about the arcade vending district
The architect	Designed the new interior market	Explains the floor plans and design goals

## 5. RESULTS

### 5.1. *Evolving decentralized management*

#### **Street vendors' self-management of city-approved vending locations**

The Market Administration in 2002 relocated licensed vendors temporarily to a site across from Jiantan Subway Station so that it could demolish the original structures. They built a new market on the original site to strengthen control over vendors as a way to “modernize” the night market. The new interior market began its construction in 2007 on the original site across from Zichen Temple and was completed in December 2011. It accommodates 538 licensed vendors, the earliest group of vendors to be granted vending rights. The result symbolizes the government’s formal acknowledgement of a part of the Shilin street vendors’ long-existing self-managed community.

The new market pattern allows the city to manage street vendors through coded, divided units, as opposed to the originally undivided open space, thus restricting the growth of total population numbers. It also shows governmental supervision, control, and support of the vendors beyond the vendors’ self-management (as suggested by Vaughan, Mills, & Smith, 1995). Interviews with the architect in charge of the project suggest that the new market form disciplines vendors by employing the idiom of modernist architecture. The Market Administration representative suggests that the authorities can also conduct food-production and sanitation inspections to ensure that the vendors provide quality products and service. Given that vendor communities are reshaped by relocation and redesign, their self-management alliance remains a legitimate entity

operating in response to municipal oversight<sup>3</sup>. The association makes its regulations, managing such issues as vending units transfer, sublet, and the collection of fees on behalf of the Market Administration.

The interviewed vendors, operating different street-snack businesses, generally responded positively to the change to the new, reorganized space and to its enhanced images. In terms of new regulations, vendor #3 comments:

*“Our self-governing association is more organized and stricter on rules now. [As members,] we also demand orders from ourselves. It is all about enhancing the image different from that of a traditional market or a [former] night market that simply gets dirtier and dirtier.”* (Street vendor #3, interview, 2013)

A total of 538 units were therefore preserved. However, negative responses include the decreased space and higher rents in the new market. Street vendors #1 and #2 in the new market pointed out during the interview an increase in rent for each vending unit space from NT\$ 2000-3000 to NT\$ 7000-9000 per month. (Vendor #2, however, said that she had less space in the new location).

The open-air, non-registered vendors on Danan Road and Dadong Road formed regional organizations. Although the city stopped legalizing vendors and allocating vending units after 1990, unlicensed vendors developed self-regulated communities for renting private property from local retailers and appropriating non-designated streets. They drew invisible vending boundaries to limit their businesses within specific areas, passing the established rules on to newcomers. For example, a new vendor would need to approach the veteran vendors in the association to inquire about the availability of space.

Meanwhile, the vendors collectively developed certain spatial routines to interact with the police<sup>4</sup>. These vendors also needed to financially compensate local shops individually and, in some specific areas, as a group to occupy their arcades or streets. Under these circumstances, they negotiated with both shops and the local police in terms of where they can locate their businesses and about their “rent.” This ecology has become another self-management model subject to the sanction of both the government and private proprietors.

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<sup>3</sup> However, there are critiques about the new space and the built environment in general from the public, as reported in the media. In this paper, I focus on the governance policies regarding street vendors. I discuss visitors' experiences in the Shilin Night Market in another work (Chiu, 2010).

<sup>4</sup> I examine their routines in another journal article (Chiu, 2013).

### Private management of designated storefront arcades

In 2008, the Market Administration implemented an “arcade vending allocation plan” to relocate the unlicensed vendors who had been occupying Dadong Road since the late 1990s. In preparation for relocating these vendors to unused arcades, the municipality legalized vending in storefront arcades within a designated area on the north of the Shilin Night Market. The newly legal status of arcade vending included sections of Dadong Road, Daxi Road, and Danan Road, as shown in the map (Figure 1). Here, arcades house legitimate vending units. Within this area, vendors rent space from the property owners, who have formed an organization for allocating space to vendors. Although arcades along Wenlin Road are currently occupied by street vendors, they are not included in this plan. A local government in Taiwan has, for the first time, officially authorized street vending in arcades after decades of this practice.

Fifty-seven out of 62 property owners along the above-mentioned streets agreed to turn their arcades into vending units by forming the “Shilin Old Streets Business Improvement Association,” as required by the Market Administration. Interviews with the association’s members suggest that they expect to reclaim order on the streets. As one member puts it,

*“We have come a long way from giving no seats for vendors to this point when we actually designate seats for them. How nice is it to have a very neat vending street now? Otherwise, there would be a bunch on one side, a bunch on the other, and perhaps another in the middle of the street. That’s just a mess.”* (Member A, interview, 2009)

Responding to these association members’ requests, city officials marked designated arcades with paint, defining 107 vending units in sum (see Figure 2 for the layouts of vending units). Those property owners who joined the association, after paying annual membership fees (higher than those levied on the vendors), became primary members who can lease their arcades legally and have a say in the association’s decisions. With fee payments, including vendor and property owner membership and sanitation fees, vendors are accorded certain rights of access to the district, and property owners have the prerogative to recruit vendors. These membership fees support the association’s operational costs and street maintenance (Shilin Old Streets Business Improvement District, 2008).

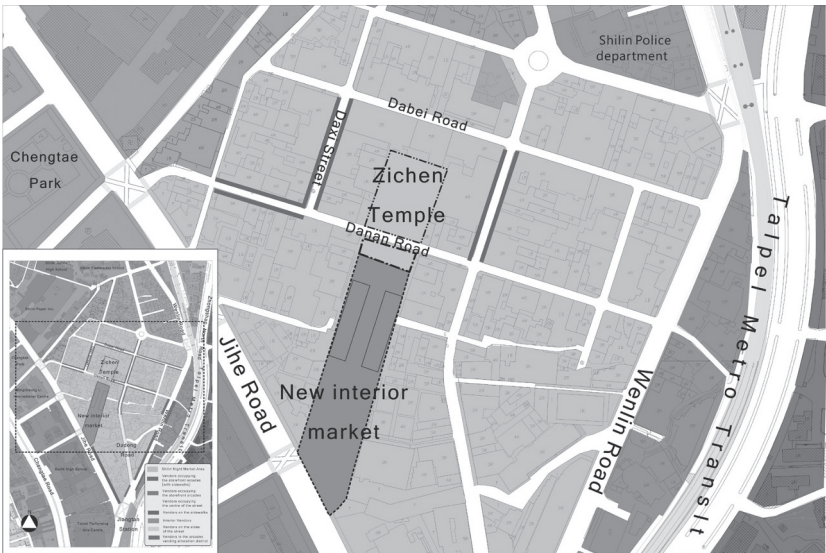


Figure 1. Arcaded vending allocation district (red lines)

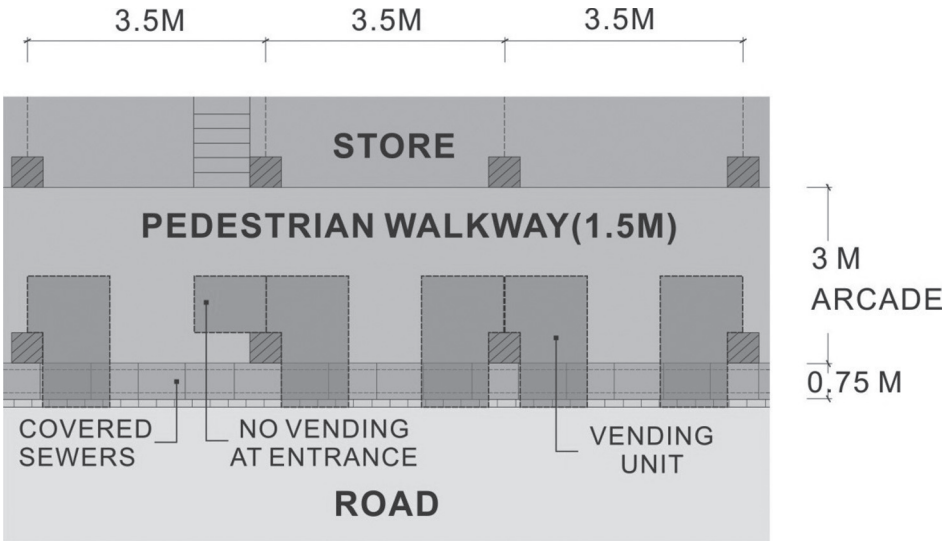


Figure 2. Layouts of arcaded vending units

The organization produces manuals containing rules, including those governing the vendors' eligibility, and business regulations (ibid.). The rules exclude vendors with unfinished imprisonment and punishment terms and those under interdiction or declared bankruptcy. Business regulations require clothing vendors to wear licenses around their necks and food vendors to place licenses where the police can inspect them. Food vendors are required to wear uniforms and aprons. The stand's name and a serial code are printed on the vendors' licenses. Members A, D, and E suggest that these impositions, in addition to assisting extralegal vendors to properly relocate, create a pleasant and clean environment for local residents while shaping a refined image for tourists<sup>5</sup>.

Vendor #4 comment on self-management:

*"I think we always live as a group in this society, not only on our own. I consider myself a team player. I do what I am asked [by the leader] to do."* (Street vendor #4, interview, 2013)

The association held a two-day event combining cultural tours, outdoor concerts, and street fairs, sponsored by the municipal government, to publicize the association and the arcades within the district. Field works found that the local police officers increased the hours of nightly policing on Dadong Road to interrupt street vending. Meanwhile, the police patrolled street corners within the arcade vending district to keep vendors in designated arcades. The association members monitor this district extensively to direct unlicensed vendors into the provided arcades.

Permitting vendors inside arcades seemingly authorizes property owners to "license" vendors, allowing owners to advise vendors about hours of operation, the placement of merchandise, and housekeeping standards. The private management saves the Municipality the time and cost invested in governing street vendors. This system substitutes not only for municipal licensing, but also for purposely-constructed market space. As such, the Market Administration is willing to support this proposal. As the representative said:

*"Nowadays, we would support most of what the community wants to do, especially those things that do not require us to pay."* (A Market Administration representative, interview, 2009)

The divided arcades resemble rental units in the interior market and have the same expediency for controlling the number of vendors and preventing unpermitted entry. More ideally, the semi-covered arcades share the open-air quality and flavor of bustling streets, giving shoppers a sense of openness instead of being confined indoors. As my interviews with association members proceeded, I identified direct and indirect profit opportunities for property owners. First, the rent that vendors pay to retailers serves as an alternative form of taxation. For retailers, each arcade

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<sup>5</sup> This ostensible discourse will be later challenged by different interviewees.



unit pays for approximately one quarter of the retailer's rent.

As a member put it:

*"The greatest influence and the most rewarding thing for me is having fixed, legitimate vending space in front of my store, and it comes with rules for vendors to follow."*

(Member C, interview, 2009)

Aside from the rent that retailers receive from vendors, six members that were interviewed said that vendors attract customers for retailers. Members C, D, E, and F said such benefits were particularly useful for retailers located in the north of the Shilin Night Market, where pedestrian flow has declined since 1997, when the completion of a subway line forced people to enter the market from the south instead of the north. If vendors start appearing in arcades on the north side of the market, shoppers are likely to approach those streets, thus improving the business of the shops there. Member F makes this particularly clear by saying:

*"Vendors in Shilin Night Market are mobile, and most of them are not locals here. Their priority is simply making their own profits. They make enough money and leave. Our vision, however, is to plan 'our' streets well, make it clean and neat, and bring that kind of prosperity to us, too. This is what the locals want. The organization is based on this goal."* (Member F, interview, 2009)

The allocation of vendor arcades, albeit accepted by the vast majority of the landowners within the business improvement district, drew mixed reactions from those against the arrangement. Five property owners refused to join the plan. Although those five property owners comprise a small proportion of the total of fifty-seven owners, their objection to the relocation indicates that local community members do not necessarily concur on what makes the ideal night market. Different businesses have responded to the relocation policy differently.

These five retailers are all tenants instead of landlords, and they are small businesses with a local clientele. The arrival of vendors allocated by the association was received by these five small business owners as one step toward a possible rent increase. Once the local retail economy within the district improves, they suggest that their traditional, yet unique businesses within the district will likely be replaced by new clothing retailers and restaurants that can usually afford high rents due to their business profiles and clientele traveling from beyond the local area. The possible rent increases stimulated by the influx of customers--not necessarily new tourists, but simply customers coming from other sections of the market--would displace these long operating, neighborhood-oriented businesses, making way for faceless shops.

The five retailers in traditional businesses, therefore, reject the arcade vending allocation plan since their business revenues hardly reach the level needed to match the potential rent increase stimulated by increasing typical night market goes in search of restaurants and clothing stores. Given the presumed benefits shared by those participating in the project, the plan failed to garner



complete support from the community.

### ***5.2. Emerging issues of decentralized management***

The results show that the municipality has regulated street vending by implementing decentralized urban policies. Managerial power has been transferred to scattered, place-specific vending groups that allocate space and regulate vending based on unwritten rules and social customs. More recently, the vending management has incorporated local business interests. In general, the decentralization evolved from vendors' self-management under the Market Administration's monitoring to multiple approaches combining vendors' self-management and property owners' private management. Although the management models have become diverse in response to various community demands, they have not sufficiently engaged the whole community. As these systems have proceeded, two major dimensions of issues have emerged, as analyzed below.

#### **Partial participation and the dominating interests**

The Shilin Night Market (the Shilin) is a neighborhood in which residents and retailers share their lived experiences with street vendors. However, the non-vendors have little say in terms of how the place and vendors should be managed according to the schemes of either self-management or private management. Because the literature suggests participatory management, collective management, or public management as different solutions to active community involvement (Rilbeiro, Vierra, & Rilbeiro, 2012; Zulu, 2012; Bernardes, et al. 2011), the case of the Shilin fails to decentralize the ruling power extensively enough to involve all affected habitants.

Because the 538 licensed vendors work inside a public marketplace that is separated from residents and retailers, they impact the local people's lives the least. Concerning the businesses of the outdoor street vendors, the locals have mixed perceptions, even after the legal arcade vending district was created. Retailers perceive vendors differently and thus want to nurture different types of relationships with different vendors to guarantee their own long-term interests besides their short-term prosperity. Retailers' decisions to have or not have vendors on their properties are influenced by the types of business in which the retailers are engaged and the relationships that they have with their landlords.

The arcade vending allocation, as imposed by the city from the top, received the most critiques. Those who frown on this plan argue that such vending arcades were primarily provided for the benefit of property owners and retailers: property owners could collect rent from vendors, and retailers could attract more shoppers due to the vendors' presence outside their businesses.

Similar to any Business Improvement District partnership in the United States and the United Kingdom (Peel, Greg, & Alex, 2009), Shilin Old Streets Business Improvement association keeps its business interests in the foreground. Specifically, clothing stores, cafes, and restaurants depend on vendors to attract customers and revitalize their struggling or declining businesses. Those retailers who have not capitalized on the expanded pool of customers have focused only on the downsides of the relocation, such as the rent increase and the traffic congestion caused by the vendors.

In addition, street vendors' use of arcades, either illegally or through the legitimized allocation project, occupies walkways that were previously accessible to users who were equally qualified as community members. This project has granted a few people the ability to influence the use of and general citizens' rights to arcades.

As one of these retailers said:

*"Arcades are for walking, not for vending. Arcaded vendors cause traffic congestion, interfere with my business, as well as with the living quality of residents upstairs. I would say it is the legal covers the illegal in this arcade vending plan. They [who participate in the allocation plan] are nothing but "entrepreneurial mafia" .... There used to be mafia who collected "royalties" from retailers, forcing retailers to lease their arcades for vending, as we all know. Nowadays, mafias have become formalized. Now, they seem to have replaced royalties with cleaning fees, as such payments sound legitimate. Doesn't a \$2000 per month cleaning fee paid by each store sound outrageous to you?"* (Retailer A, interview, 2009)

The association's documents also suggest that over half of the fifty-seven members of the association do not actually occupy their properties, but lease them for commercial use. Nevertheless, they can approve critical decisions, including vendor allocations and street renewal, in community meetings. I reviewed the manual published by the association to confirm that these property owners, as the predominant group spatially and economically in charge of vendors, enjoy a presumptive right of excluding unwanted vendors from the arcades and streets within the district, as well as raising vending rents and fees, all by authority of their association membership. Any municipal intervention with street vendors (e.g., policing) is subject to these proprietors' (association members') demands and expectations, rather than to the reactions of residential or commercial tenants, who live and work in the district every day.

Given the legal vending rights authorized by the association, the number of arcades in the Shilin Night Market, including those in the association district and on the streets that may comprise the next business improvement district, is not enough to accommodate the total number of unlicensed vendors. In fact, the space created by the association's plan accommodates no more than half of the vendors on Dadong Road. Although certain local property owners benefit from

the shoppers that the vendors attract, the association has failed to provide enough usable space (in the form of vending arcades) to street vendors.

### **Spatial exclusion and territorial control as obstacles to allocation**

Culturally speaking, street vendors value trust, solidarity, and cooperation. In their social ecology, there exists a strong sense of territory, which controls access to various vending niches. As one vendor notes:

*"Sometimes, young people don't know anything and just come [inside our turf] to sell clothes, and then we will explain to him that it is not the way we do business here."*

(Street vendor A, interview, 2009)

Getting permission to rent retail space in the arcades often requires social connections. In most situations, retailers allow relatives and close personal acquaintances, such as siblings, other family members, and close friends, to set up stands in front of their stores. The main concern for retailers in leasing storefront arcades to unknown vendors is the possibility of their not being able to collect rent because they have no legal grounds for resolving shop-vendor disputes. Furthermore, retailers prefer leasing space to personal acquaintances because acquaintances are more likely to agree not to sell goods that compete with the retailers' own offerings. Retailers also tend to help their own relatives (both temporarily and over the long term) who have difficulty establishing businesses elsewhere due to high rents or low availability of space, either temporarily or over a long term.

Street vendor #5, a college sophomore, rents from her uncle a half-arcade with her friend on the north end of Dadong Road to sell men's T-shirts:

*"It would not have been so easy for me to have a place if it wasn't for my uncle."*

(Street vendor #5, interview, 2009)

Street vendor B, also unlicensed and in her late forties, sells women's jewelry by placing a briefcase against the exterior side of the wall of a friend's clothing store. Back in the 1980s, this vendor was a saleswoman in one of the mini department stores on Dadong Road. As most of the mini department stores closed due to declining sales, she sought opportunities in street commerce. Similar to her fellow street vendors, she considers vending from a familiar location in Shilin a more viable long-term choice:

*"I know this street, and I know people around here. Things get easier."* (Street vendor B, interview, 2009)

As suggested by these discourses, a culture of exclusion is embedded in the vendors' self-management structure. Unspoken rules and underground deals support the ecology of exclusion. Street vendors #6 and #7 told me that they spent more than two months locating their vending units and eventually obtained less desirable locations from retailers. The vendor-retailer

agreement established in the arcade vending allocation may seem more legitimate compared with unlicensed vendors' informal occupancy, which is sustained by under-the-table transactions between vendors and retailers whom they have known or by deals between vendors and local gangs. However, the territorial control in both systems is similar. For example, unlicensed street vendor A, who has sold at the center of Dadong Road for over ten years, said he would rather continue his business outside that district because he does not want to encroach on the social cliques, turfs, and strong sense of territory of the district's vendors.

To summarize the two dimensions, the current decentralized management of the Shilin Night Market lacks sufficient community participation and a democratic allocation process. Both self-management and private management form exclusive spaces as a result of top-down implementation (cf. Bernardes et al., 2011; Rilbeiro, Vierra, & Rilbeiro, 2012). Only a few power holders enjoy their privileges of "managing a night market."

## 6. CONCLUSIONS

The management of Shilin vendors represents, historically, a mixed approach that combines local state's oversight, vendors' self-management, and proprietors' private management. The managerial power was gradually transferred from the center (the Market Administration) to the periphery (the local community). The concept of decentralized management explains the ways in which the city collaborated with local communities to manage vending issues. Over several decades, street vendors' self-management entities negotiated (and cooperated) with the Market Administration. Meanwhile, some of the vendors traded with retailers to occupy storefront arcades. This ecology drove the city to implement the arcade vending allocation plan as a legitimized private management project. This "evolution" helped create an urban tourist destination enriched by its multiplicity, both spatially and temporally (Chiu, 2010). However, the city's management privileges the interests of street vendors and selected retailers, thus excluding residents and those retailers who prefer to operate their businesses without sharing space with street vendors. The decentralization lacks full participation from "the actually existing community" and democratic communication with various inhabitants of the neighborhood.

In the interior market, the vendors' self-management functions under governmental sanctions, thus minimizing their impact on the locals' lives. In the outdoor environment, the government entitles the vending community to negotiate with one another the ways in which their units should be occupied, used, and even shared with their fellow vendors. The entitlement takes advantage of street vendors' understanding of their well-established social cliques and spatial tactics. Because decentralization allows for local flexibility in decision-making and a certain degree of violation of official regulations, it fosters a lively, spontaneous market scene.

Nevertheless, close research into the management details uncovers the phenomenon of limited participation and territorial control. The very essence of decentralization, which involves democracy, justice, and community coherence, is missing.

In the Arcade Vending District, the city authorizes a group of property owners to manage street vendors because vendors occupy property owners' arcades. Property owners, however, privilege their property values over vendors' equal rights to these locations. The Market Administration fails to mediate between property owners and street vendors to allow space to vendors effectively. Because most property owners focus on the rents and profits that accrue to them instead of the nature and ecology of street businesses, they exploit their rights to select those vendors who can benefit storefront businesses or pay high rents. Therefore, decentralization may not be a feasible solution for managing informality if the decentralization of power does not ensure equity but rather encourages the exercise of social or geographical exclusion by dominating power holders.

Vaughan, Mills, and Smith (1995) identified four important dimensions that ensure effective decentralized management: 1) an appropriate organizational structure to encourage intersectional communication, 2) community involvement, 3) collaboration between the government and private service, and 4) technical support for workers. They also suggest that there should be enough governmental supervision, control, and support besides local flexibility, as the government should delegate staff to assist the work of local-level institutions. A democratic implementation is a key factor for successful decentralized management. They suggest that the decentralized institution should strive to engage various interest groups in the decision-making process. The intra-relationship between segments (see Ribeiro, Viera, & Ribeiro, 2012) is crucial to decentralized management in Taiwan, where managing informality goes beyond allocating resources for social marginality; it is about balancing various community demands.

The Shilin Night Market neighborhood has evolved into a homogenous neighborhood in which residential, commercial, recreational, and transportation uses all must be considered. Therefore, the idea of community in Shilin should be expanded to a level that responds to such diversity. In other words, the advantages of decentralization is more likely to be maximized when they truly address the needs of various community members, all of whom enjoy their rights to and have a say in place-making decisions. For future policy implications, the Market Administration should consider more substantial approaches to engaging local residents, local businesses, street vendors' organizations, and property owners in its management mechanism. Based on their collective decisions, the city may need to change the vending locations occasionally and adjust the vending hours in ways that respond to changing local land use and community composition. The city should also initiate place-making activities, assist community members in improving their business and living quality, and impose a community-based governing entity to act in response to municipal interventions. When both the positive and negative influences of street

businesses on the neighborhood are managed, the benefits of decentralization become truly pronounced in the context of a night market. In summary, the management of peoples' rights to a city and their shared urban experiences is key to the decentralized urban management that sustains an inclusive, livable city.

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