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Adapting to Change: Livelihood Strategies of Street Vendors Under Ho Chi Minh City's Sidewalk Fee Policy in District 1, Ho Chi Minh City

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ABSTRACT

Introduction: Sidewalks are essential to the socio-economic fabric of urban areas, particularly for informal vendors who rely on them for their livelihoods. However, the introduction of the sidewalk fee policy under Decision No. 32/2023/QĐ-UBND has significantly affected both fixed and mobile vendors. This study examines how these vendors adapt their livelihood strategies in response to the policy's implementation in District 1, Ho Chi Minh City, and evaluates its impact on their economic stability. This study contributes theoretically by integrating the Sustainable Livelihood Framework with Rational Choice Theory to better understand how urban informal workers adapt to regulatory changes. **Methods:** A mixed-method research approach was employed, combining quantitative surveys with qualitative fieldwork. A total of 160 fixed and mobile vendors were surveyed, supplemented by in-depth interviews and field observations. The Sustainable Livelihoods Framework (SLF) developed by DFID was used to analyze the factors influencing vendors' adaptation strategies, including financial, physical, social, human capital and public capital. **Results:** The findings indicate that both fixed and mobile vendors experience increased business costs, reduced trading spaces, and shifts in social and economic networks due to the policy. Fixed vendors, despite the challenges, tend to continue their businesses, whereas mobile vendors demonstrate greater adaptability but remain more vulnerable to displacement and enforcement measures. The study reveals that while sidewalk vending persists as the preferred livelihood strategy, it is increasingly constrained by regulatory pressures and declining access to essential livelihood assets. **Discussion and Conclusion:** The study highlights the unintended consequences of sidewalk management policies on informal laborers. While urban management efforts aim to regulate public spaces, they must also consider the socioeconomic realities of street vendors. Policymakers should explore alternative regulatory frameworks that balance urban planning objectives with the need to sustain livelihoods. This research contributes to the broader discourse on urban informality and suggests measures to create a more inclusive and sustainable policy environment for informal vendors..

Keywords: fixed vendors, mobile vendors, livelihoods, livelihood strategies, sustainable livelihoods framework, sidewalk fee policy.

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1. INTRODUCTION

Sidewalks are a crucial component of public space, serving not only as pedestrian pathways but also fulfilling economic, social, and cultural functions (Carmona, Heath, Oc, & Tiesdell, 2003; Tuyền, 2023). As an integral part of public space, sidewalks accommodate multiple roles, including pedestrian circulation, technical infrastructure, greenery, and urban aesthetics.In her study of Ho Chi Minh City, Annette M. Kim (2020) highlighted sidewalks as the **"most important public space"** reflecting the city's diverse everyday life while being closely tied to the livelihoods of its residents.

Sidewalks play a vital role in supporting the livelihoods of many urban residents, particularly those in low-income groups engaged in the informal economy (Khoa, 2025). In District 1, Ho Chi Minh City—a densely populated area with a high volume of tourists—sidewalks are utilized as strategic locations for small businesses, food services, street vending, and other flexible commercial activities. These activities contribute to the **street economy**, enriching and energizing the urban economic landscape.The main participants in the street economy include two primary groups. The first group consists of **fixed vendors,** which include formal businesses with storefronts that utilize sidewalks and informal small-scale traders operating on sidewalks. The second group comprises **mobile vendors**, primarily informal street hawkers who move from place to place (Nguyệt, 2018).

The utilization of sidewalks for economic activities offers both benefits and challenges. While playing a crucial role in securing livelihoods for a segment of urban residents, the **street economy** also poses risks, including disruptions to traffic flow, impacts on urban aesthetics, and limitations on pedestrian access to public space. To address these conflicts and ensure a balance of interests among stakeholders, the **People's Committee of Ho Chi Minh City** issued **Decision No. 32/2023/QĐ-UBND** on **July 26, 2023**, regulating the temporary management and use of portions of roadways and sidewalks within the city.

Under the sidewalk fee policy introduced by **Decision No. 32/2023/QĐ-UBND**, fixed and mobile vendors are affected differently due to specific regulations tailored for each group (Tuyền, Khanh & Khoa, 2024). Their livelihoods remain **highly vulnerable** to shifts in urban management policies. According to the **Sustainable Livelihoods Framework (SLF)** developed by **DFID**, vendors must adjust their **livelihood strategies** to cope with policy changes in order to sustain their economic activities. These adjustments may include **continuing sidewalk-based businesses or transitioning to alternative forms of income generation** (Carney, 1998).

While the literature on urban informality is rich, few studies explore how local-level fee-based policies influence livelihood strategies, particularly in the Vietnamese context.This study focuses on analyzing and assessing the **new livelihood strategies** adopted by vendors in response to the policy changes and proposes **appropriate recommendations** within the context of the current regulatory framework.

This study aims to examine how street vendors in District 1 adapt their livelihood strategies in response to Ho Chi Minh City's sidewalk fee policy. It tests the following hypotheses: (1) Hypothesis of Continuing Business on Sidewalks, (2) Hypothesis of Continuing Business on Sidewalks While Developing Additional Livelihoods, (3) Hypothesis of Discontinuing Business on Sidewalks.

2. RESEARCH METHODOLOGY

This study employs a mixed-methods approach, integrating **quantitative and qualitative research methods,** including **surveys, interviews, document synthesis, and analysis, specifically:**

Primary data were collected through **participant observation, interviews, and a survey of 160 fixed and mobile vendors** operating on **11 pilot streets** where sidewalk and roadway usage fees were implemented in **District 1, Ho Chi Minh City.** The questionnaire was designed with a combination of **closed-ended and open-ended questions** to align with the research objectives. To assess the **livelihood assets** of fixed and mobile vendors, the study adopts the **Sustainable Livelihoods Framework (SLF)** developed by the **UK Department for International Development (DFID)** as the analytical foundation. Given that the study includes **street vendors**, who belong to the informal economy and are difficult to comprehensively enumerate, a **non-probability sampling method** was employed. Specifically, **convenience sampling** was used for data collection. To examine differences in livelihood assets between fixed and mobile vendors, the study ensured **equal sample distribution**, with **80 respondents in each group**. The study employed convenience sampling, which may limit the generalizability of the findings due to potential sampling bias. Primary data were collected over the period **from August 1, 2024, to October 15, 2024**.

All participants provided informed consent and were assured of confidentiality and anonymity. The study adhered to ethical guidelines for research involving human subjects.

Additionally, the study incorporates **secondary data** from academic articles, theses, statistical reports, and policies related to **urban livelihoods, the street economy, public space, and public policy**. These data sources were collected from **government agencies, scientific journals, and reports from social organizations** in both Vietnam and international contexts.

The collected data were processed and analyzed using **content analysis** and **descriptive statistics**, with the support of **SPSS 28** to assess the impact of the policy on the **livelihood factors** of **fixed and mobile vendors** in **District 1.**

3. THEORETICAL FRAMEWORK

3.1. Sidewalk fee policy in District 1, Ho Chi Minh city

The temporary management and usage of roadways and sidewalks in Ho Chi Minh City were initially regulated under **Decision No. 74/2008/QĐ-UBND**, issued by the **People's Committee of Ho Chi Minh City** on **October 23, 2008**. By 2023, a **draft replacement for Decision No. 74**was proposed, based on **Proposal No. 5424/TTr-SGTVT**, submitted by the **Department of Transport** on **May 19, 2023**, along with an **appraisal report from the Advisory Council (Report No. 1234/BC-HĐTVTĐ, dated March 24, 2023)**.As a result, on **July 26, 2023, Decision No. 32/2023/QĐ-UBND** was officially enacted, replacing **Decision No. 74/2008/QĐ-UBND**. This new regulation aimed to **update and refine the existing legal framework** governing the **temporary management and use of roadways and sidewalks** in Ho Chi Minh City.

Decision No. 32/2023/QĐ-UBND, issued by the **People's Committee of Ho Chi Minh City**, came into effect on **September 1, 2023**, with the objective of regulating the **temporary use of sidewalks and roadways** to ensure **traffic safety** and maintain **urban aesthetics** across the city.According to the Decision, sidewalks may be used for various activities, including **business operations, event organization, vehicle parking, and waste transfer**, provided that the allocated space complies with regulatory guidelines. Notably, a **minimum pedestrian walkway of 1.5 meters** must be preserved and remain unobstructed.

The regulation also clearly distinguishes between cases where **sidewalk use does not require a permit but is subject to a usage fee** and cases where a **permit is mandatory**.For activities such as **cultural, sports, and festival events**, establishing **temporary parking areas for events, nighttime transportation of construction materials**, or operating **paid parking spaces**, **district-level People's Committees** are responsible for granting permits.Meanwhile, **business activities on sidewalks** do not require a permit but are subject to a **sidewalk usage fee**. The **duration and scope of usage**are specifically regulated, with strict adherence to **traffic safetymeasures** as mandated by law.A detailed summary of these regulations is presented in **Table 1**.

Additionally, the activities of mobile and fixed vendors on sidewalks are governed by key legal documents aimed at ensuring the management and protection of urban traffic infrastructure. The **Law on Road Traffic (2008)** and the **Law on Construction (2014)** provide the legal foundation for managing traffic and construction activities on sidewalks.**Decree No. 11/2010/ND-CP** and its subsequent amendments and supplements **(Decree No. 100/2013/ND-CP)** explicitly regulate the management and protection of road traffic infrastructure. Furthermore, circulars issued by the Ministry of Transport, such as **Circular No. 50/2015/TT-BGTVT** and **Circular No. 37/2018/TT-BGTVT** (and their recent amendments), detail the operation, exploitation, and maintenance of road infrastructure. Similarly, circulars from the Ministry of Construction, including **Circular No. 04/2008/TT-BXD** and **Circular No. 16/2009/TT-BXD**, provide guidelines for urban road management, ensuring sidewalk use complies with legal regulations.

Table 1. Key contents of the sidewalk fee policy in District 1, as per Decision No. 32/2023/QĐ-UBND of the Ho Chi Minh city People's Committee.

POLICY ASPECTS	DETAILS
Effective Date	01/09/2023
Primary Objective	Manage the temporary use of sidewalks and roadways to ensure traffic safety and urban aesthetics.
Sidewalk Usage Activities	Business operations, event organization, parking, waste transfer, etc.
Minimum Pedestrian Space	At least 1.5 meters
Permit Requirement	No permit required, but a usage fee is applicable.
Fee per Square Meter (Central Streets)	100,000 VND/m²/month (for streets categorized as central by the Department of Transport).
Fee per Square Meter (Võ Văn Kiệt Street)	50,000 VND/m²/month (in Võ Văn Kiệt Street, Cô Giang Ward, District 1).
Cases Requiring Permits	Cultural, sports, and festival events; establishing temporary parking for events; nighttime transportation of construction materials; and paid parking spaces.
Pilot Streets in District 1 (from 09/05/2024 to 30/09/2024)	Hoàng Sa, Mạc Đĩnh Chi, Hải Triều, Chu Mạnh Trinh, Lê Thánh Tôn, Phan Bội Châu, Phan Chu Trinh, Hàm Nghi, Trần Hưng Đạo, Cô Bắc, Võ Văn Kiệt.

Source: Tuyền, V. T., Khanh, T. T .L, Khoa. T. Đ, 2024

In cases where individuals engage in independent, regular commercial activities without requiring business registration, the regulations outlined in **Decree No. 39/2007/ND-CP**, issued on March 16, 2007, apply. This decree explicitly prohibits commercial activities in certain areas, streets, and locations, including road sections such as entrances to apartment complexes, residential areas, alleys, and sidewalks (Government, 2007).

These legal documents have established a **rigorous management framework** for sidewalk usage, aimed at maintaining order and protecting urban traffic infrastructure. These regulations have also brought about **significant changes** to the business operations of fixed and mobile vendors. At the same time, the legal framework has created opportunities for those affected to adjust and adapt to the policies, thereby safeguarding their rights and sustaining their livelihoods in the new context.

3.2. Theoretical foundations for the livelihood strategies of fixed and mobile vendors

3.2.1. Theoretical foundations of livelihoods and livelihood assets

Livelihoods are understood as the range of activities that people engage in to achieve their living goals, leveraging available resources such as natural resources, labor, capital, and advancements in science and technology (Huyền, 2015). Carney (1998) defines livelihoods as the sum of capabilities, assets (both material and social), and activities required to sustain life.

Many international organizations, including **DFID, CARE, Oxfam**, and **UNDP**, have adopted or adapted the definition by Chambers and Conway (1992) to develop the **Sustainable Livelihoods Framework (SLF)**. According to this framework, a livelihood is considered sustainable when it can cope with and recover from shocks, maintain and enhance assets, and create livelihood opportunities for future generations without harming the environment or community (DFID, 1999).

The concept of livelihoods is commonly analyzed based on five key types of assets: **human capital, financial capital, natural capital, physical capital, and social capital.**

- **Human capital** of vendors focuses on factors such as knowledge, skills, and health, enabling them to achieve livelihood goals through education, training, and labor.
- **Financial capital** relates to income, expenses, customer flow, and the ability to sustain business operations.
- **Physical capital** refers to infrastructure and goods that support production, such as tools, transportation systems, and sidewalk infrastructure.
- **Social capital** is built through social relationships, networks, trust, and cooperation with customers, other vendors, and regulatory authorities, helping individuals overcome challenges and seize opportunities to develop sustainable livelihoods.
- **Natural capital** includes resources such as land, water, forests, and seas, which are the foundation of many rural livelihoods (DFID, 1999).

In the urban context, **natural capital** is often replaced by **public capital**, acknowledging the significant role of public services and social welfare in supporting livelihoods (May, C., et al., 2009).

3.2.2. Theoretical foundations of livelihood strategies

Livelihood strategies refer to the set of choices, decisions, and activities that individuals or households undertake to effectively utilize available resources to achieve livelihood goals and improve their quality of life. According to Kollmair and Gamper (2002), livelihood strategies should be understood as a process of action in which people combine activities to meet needs at different times, within diverse geographical and economic contexts, with variations even within a single household. Ellis (2000) emphasizes that livelihood strategies depend not only on the assets and resources available but also on the ability to manage and utilize them effectively to generate income. Similarly, DFID (1999) defines livelihood strategies as the ways in which individuals or households leverage resources to meet essential needs and improve their living standards. The Asian Development Bank (2007) further elaborates that these strategies involve investing in livelihood assets, choosing income-generating activities, conserving and managing assets, developing necessary skills, and coping with risks.In essence, livelihood strategies represent how people integrate resources and skills into economic activities to sustain and improve their living conditions in a sustainable manner.

Analyzing the livelihood strategies of fixed and mobile vendors on sidewalks helps to understand how they utilize resources and respond to changes in economic, social, and policy environments, particularly under the context of **Decision No. 32/2023/QĐ-UBND** on sidewalk usage fees. This analysis clarifies the factors affecting their livelihoods, their adaptive capacity, and supports the development of policies that balance urban management objectives with ensuring sustainable livelihoods for vendors.

3.3. Rational Choice Theory

Rational Choice Theory focuses on explaining individual behavior based on the principle of maximizing

expected benefits. Specifically, it provides a foundation for analyzing the adaptive decisions made by fixed and mobile sidewalk vendors to secure their livelihoods. Although originating in economics, this theory has expanded into various fields of social sciences, including sociology, due to its robust capacity to explain not only individual behaviors but also macro-social phenomena (Bích, 2010).

Individual actions are goal-oriented, shaped by personal preferences, principles, or standards, and influenced by two primary factors: **resource scarcity** and **social institutions** (Friedman & Hechter, 1988). Resource scarcity forces individuals to weigh their objectives, with **opportunity costs** representing the value of forgoing one choice to achieve a desired outcome. In the context of this study, the resources refer to the **livelihood assets** possessed by fixed and mobile vendors.Moreover, individual behavior is constrained by institutions characterized by organizational structures and clear processes. **Information** serves as the basis for rational decision-making, and variations in its quality or quantity can significantly influence individual choices in different contexts.Ultimately, the aggregation of individual actions leads to collective social outcomes. Rational Choice Theory thus provides a valuable lens for understanding how sidewalk vendors navigate resource limitations, institutional constraints, and information availability to adapt their livelihood strategies in response to policy changes and external pressures.

Hechter also proposed hypotheses about individuals' rational choices. These hypotheses are summarized and presented in Table 2.

Finally, one of the key highlights of **Rational Choice Theory** is its emphasis on the relativity of rationality, which depends on the context and the level of analysis. Smelser (1998) pointed out that behavior may be considered rational under certain conditions but irrational in another context.For instance, **sidewalk vending** is rational from a livelihood perspective, as it meets the convenience and cost-saving needs of both sellers and buyers. However, from an environmental protection standpoint, street vending generates waste, undermines urban aesthetics, and negatively impacts the community.Moreover, this theory provides a unique analytical framework to link individual behavior with broader social phenomena (Crotty, 1998). Coleman emphasized that macro-level phenomena must be explained through the behavior of individuals, the fundamental units that constitute society. This not only reaffirms the academic value of the theory but also unlocks its potential for practical application by enabling interventions at the individual level to address social issues.

3.4. Sustainable Livelihoods Framework (SLF)

The **Sustainable Livelihoods Framework (SLF)**, developed by the UK Department for International Development (DFID), is a comprehensive approach to analyzing livelihoods through five key assets: **human capital (H), physical capital (P), social capital (S), financial capital (F)**, and **natural capital (N)**. These assets interact closely with the **vulnerability context** and are influenced by **transforming structures and processes**, which in turn shape **livelihood strategies** and result in specific **livelihood outcomes**. This framework is particularly useful for understanding how communities, households, or individuals utilize their resources to adapt to economic, social, and policy challenges in real-world contexts.

In the highly urbanized environment of **District 1**, where informal labor dominates, traditional **natural capital(N)** becomes less relevant. Instead, **public capital**, such as urban infrastructure, public services, and social support policies, plays a crucial role. Additionally, **physical capital(P)**, including the condition of sidewalks, transportation systems, and vending spaces, is identified as a core factor influencing the sustainability and growth of business activities.

Social capital (S)—comprising networks, trust, and support from the local community or organizations—also

Table 2. Assumptions of rational choice for individuals.

No.	Assumptions
1	Humans always act with specific goals, and their actions are directed toward achieving those goals.
2	Individuals have hierarchies of preferences or personal interests.
3	In choosing their course of action, individuals calculate rationally and consider:
	- The benefits of choosing an action based on its compatibility with their goals.
	- The costs associated with the action, including potential risks or losses.
	- The overall effectiveness in optimizing expected benefits.
4	Social phenomena arise from the rational choices of individuals. These choices are shaped by:
	- The distribution of resources among individuals.
	- The arrangement and characteristics of institutional frameworks and rules within the context.

Source: *Turner, J. H., & Turner, P. R., 1978*

significantly impacts access to opportunities and resources. Social capital is often less tangible than other assets and less understood, yet it serves as a vital mechanism for expanding access to other forms of capital and securing livelihoods (Bebbington, 1999). Furthermore, social capital can enhance the development of **human capital** (Bourdieu, 1986; Coleman, 1988).

Regarding **human capital (H),** skills, health, and experience are pivotal in shaping livelihood strategies. Vendors with strong communication skills and adaptability often have a competitive edge in utilizing public spaces and responding to policy changes.

Lastly, financial capital (F) is critical for coping with rising costs, such as space usage fees or necessary investments in infrastructure. This financial capacity enables vendors to sustain their businesses and adapt to evolving challenges effectively.

Based on the SLF theoretical framework, the livelihood strategies of fixed and mobile vendors in District 1 can be analyzed as the result of the complex interaction between their livelihood assets and the vulnerability context they face under the implementation of the sidewalk fee policy. Developing appropriate livelihood strategies not only helps them mitigate risks and stabilize their income but also ensures long-term sustainability by enabling asset accumulation and flexible adaptation to changes in the policy environment.

3.5. Integrating Rational Choice Theory and the Sustainable Livelihoods Framework to Analyze Sidewalk Vendors' Livelihood Strategies

Rational Choice Theory (RCT) and the Sustainable Livelihoods Framework (SLF) can be integrated to form a powerful analytical model that explains how fixed and mobile vendors in District 1 make decisions to sustain and improve their livelihoods under the impact of the sidewalk fee policy.

RCT offers a foundation for understanding individual behavior through the lens of goal-oriented actions based on benefit-cost calculations in contexts of imperfect information, resource scarcity, and institutional constraints. Meanwhile, SLF expands the analysis by emphasizing internal resources—namely, the five types of livelihood assets (H: human, P: physical, F: financial, S: social, and N: natural/public)—and their relationships with the vulnerability context (e.g., sidewalk fee policy, pandemics, or urban volatility).

The integration of these two theories facilitates a three-step logical analysis of livelihood decision-making behavior among sidewalk vendors:

1. Starting Point – Livelihood Assets (SLF):

Fixed and mobile vendors have varying levels of access to livelihood assets:

- **P:** the physical condition of the sidewalk (wide or narrow), whether vending is permitted or not
- **F:** ability to afford fees, invest in carts, shelters, or seating
- **S:** customer networks, community or charity support
- **H:** communication skills, site selection experience, knowledge of how to handle inspections
- **N:** the urban environment and public infrastructure (in urban settings, "natural capital" is broadened into "public capital")

2. Choice Behavior – Rational Choice Theory (RCT):

Based on available resources and constraints (institutional factors such as fee policies, enforcement rules, or intensity of inspection), vendors will:

- Calculate potential **benefits**: sales revenue, strategic location advantages, sidewalk usage costs
- Consider **costs and risks**: fines, eviction, or investment loss
- Make **decisions:** relocate, change vending mode (fixed/mobile), share space with others, or exit the occupation

3. Outcomes and Adjustment – SLF + RCT:

- Chosen behaviors lead to specific livelihood **outcomes**: stable income, risk reduction, or failure
- Based on these outcomes, vendors may **adjust their long-term strategies: enhance social capital (e.g., join groups to share information), upgrade skills, or transition to alternative occupations**

3.6. Research model and hypotheses

To construct the research model for analyzing the livelihood strategies of fixed and mobile vendors on sidewalks in District 1, Ho Chi Minh City, this study is based on the **Sustainable Livelihoods Framework** by **Chambers and Conway (1992)** and the livelihood approach adopted by organizations such as **DFID, CARE, Oxfam**, and **UNDP**.

This model integrates elements from international studies and applications to fully reflect and align with the context of urbanization and the non-agricultural nature of livelihoods in Ho Chi Minh City. The components of livelihood assets include:

From the factors summarized in Table 3, the proposed research model is as follows:

This research model is developed to measure and analyze the livelihood assets of fixed and mobile vendors under the context of the sidewalk fee policy implemented in District 1. The model aims to understand the resources (livelihood assets) owned by fixed and mobile vendors and to identify their livelihood strategies for maximizing benefits while minimizing opportunity costs.From the perspective of **Rational Choice Theory**, individual livelihood decisions form the basis for the livelihood

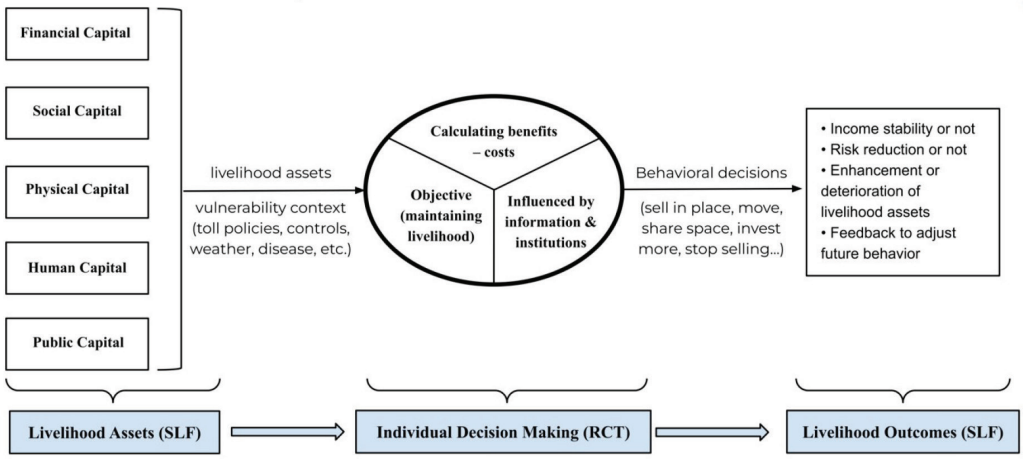

Diagram 1: Integrated model of RCT and SLF in analyzing livelihood strategies of sidewalk vendors in District 1

Source: *Turner, J. H., & Turner, P. R., 1978; Chambers, R., & Conway, G, 1992*

Table 3. Components of Livelihood Assets.

Livelihood Assets	Mobile Vendors (Street Vendors); Fixed Vendors
Natural capital	Non-renewable resources including minerals and land (types of land and climate conditions - rainfall, etc.) and renewable resources such as nutrition cycles and ecosystem services (e.g., water resources, water quality, soil fertility) (Eidse, 2009; Bebbington, 1999; Arisanty, 2020; Kabir et al., 2012). Ownership of resources (land, crops, livestock, aquaculture) (Arisanty, 2020; Timalsina, 2012).
Physical capital	Infrastructure built and developed by humans (electricity, water, sanitation, etc.) (Timalsina, 2012; Arisanty, 2020). Use of space (perceptions of public space, mobility, safety, and quality of road infrastructure) (Conticini, 2005; Eidse, 2009; Timalsina, 2012; Kabir et al., 2012).
Human Capital	Skills (professional skills and others) (Eidse, 2009; Ellis, 2000; Timalsina, 2012; Kabir et al., 2012). Education and training levels (Eidse, 2009; Ellis, 2000; Timalsina, 2012; Arisanty, 2020; Conticini, 2005). Labor capacity (work experience, job stability, participation of family members in economic activities) (Eidse, 2009; Ellis, 2000; Arisanty, 2020; Kabir et al., 2012). Health conditions (Eidse, 2009; Ellis, 2000; Arisanty, 2020; Conticini, 2005; Kabir et al., 2012).
Financial Capital	Income (regular, supplementary, cash in hand) (Timalsina, 2012; Arisanty, 2020; Eidse, 2009; Conticini, 2005; Kabir et al., 2012).
Social Capital	Social relationships and trust (relationships, trusted friends, decision-making capacity, cooperation, trust networks for resilience or upward mobility) (Turner & Nguyen, 2005; Portes, 2000; Woolcock & Narayan, 2006; Timalsina, 2012; Arisanty, 2020; Conticini, 2005; Kabir et al., 2012).
Public Capital (Substitute for Natural Capital)	Public services (libraries, local organizations, and community involvement) (May, 2009). Welfare policies (housing and social benefits) (May, 2009).

Source: *Tuyền, V. T., Khanh, T. T .L, Khoa. T. Đ, 2024*

strategies of both fixed and mobile vendor groups. Understanding these strategies is essential for proposing recommendations to help the business community sustain their livelihoods effectively.

According to the **Sustainable Livelihoods Framework**, vendors possess a set of livelihood assets, including **financial, physical, human, and social capital**. The increase in sidewalk usage fees can deplete their financial capital, which in turn affects other aspects of their livelihood strategies. Small businesses and street vendors often lack sufficient financial capital to cover the additional costs arising from the fee, forcing them to reduce business scale or cease operations altogether, which negatively impacts their livelihoods (Chambers, R., & Conway, G. R., 1992).Therefore, the research hypothesizes that this policy has a negative impact on livelihood assets. Based on this, the official measurement scales for the factors are designed as follows (**Table 4)**:

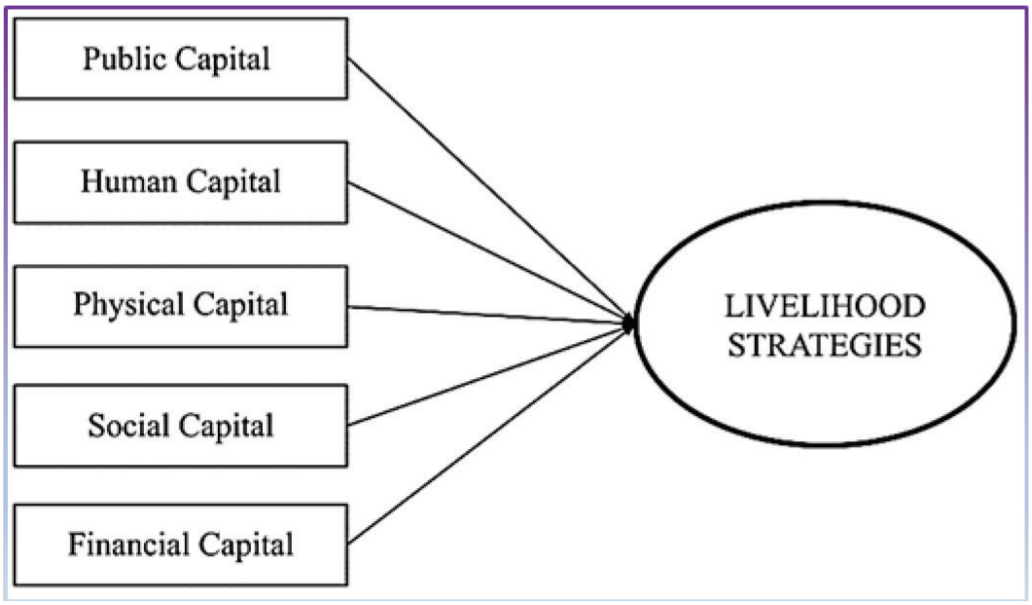

Diagram 2. The Authors's Research Model.

Source: *Authors, 2025*

Based on the theoretical analysis presented above, the study develops the following research hypotheses:

(1) Hypothesis of Continuing Business on Sidewalks

- **(H1):** Vendors, particularly those in the informal sector, will continue to operate on sidewalks as their sole livelihood strategy.
- **(H2):** Due to limited access to relevant information, this strategy is considered less effective for informal vendors (including both fixed and mobile vendors).
- **(H3):** Vendors will not choose to rent/purchase space and register for sidewalk usage for business purposes, as this is not viewed as a rational choice.

(2) Hypothesis of Continuing Business on Sidewalks While Developing Additional Livelihoods

- **(H4):** Fixed vendors are more capable of developing additional livelihoods due to possessing more livelihood assets compared to mobile vendors.
- **(H5):** Mobile vendors will not sacrifice part of their livelihood assets to pursue this livelihood strategy.

(3) Hypothesis of Discontinuing Business on Sidewalks

- **(H6):** Fixed and mobile vendors with higher levels of human capital and financial capital will decide to shift their livelihoods as a rational decision.

4. RESULTS AND DISCUSSION

4.1. Current Status of Livelihood Assets of Vendors in District 1

4.1.1. Sample Description

This study was conducted using a questionnaire designed to survey **160 individuals**, including **80 fixed vendors** and **80 mobile vendors**. The survey results indicate a gender imbalance in the sample, with a predominance of women. Specifically, among fixed vendors, **60% were women** (48 cases), while among mobile vendors, the proportion of women was even higher at **70%** (56 cases), demonstrating that the majority of vendors in the study area are women.

In terms of age groups, most respondents were within the working-age population (18–60 years old):

- **35.63%** were aged **46–60 years**,
- **33.75%** were aged **31–45 years**, and
- **16.9%** were aged **18–30 years**.

Notably, **13.12%** of the sample were over 60 years old, and one case being a **15-year-old** mobile vendor. This finding highlights that, in addition to the working-age population, some vendors outside the working age still actively participate in sidewalk business activities.

In terms of educational attainment, the majority of vendors have only completed primary education (**76.875%**), while those with higher education levels, such as secondary school, high school, or college/university, represent a small proportion. Most of these individuals are migrants from other provinces (**90.625%**) and have been living and working in Ho Chi Minh City for an average of **20.57 years**, with the longest duration being **53 years**. A significant portion (**56.875%**) has been engaged in sidewalk vending for **5 years or more**.

Regarding the types of goods and services sold, vendors primarily trade in:

- **Food (34%)**,
- **Beverages (28.22%)**,
- **Motorbike taxi services (11%)**,

Table 4. Measurement Indicators for Livelihood Assets.

Research Factors	Code	Measurement Indicators
Financial Capital	**TC1**	1. Negative impact on income since January 2024.
	TC2	2. Increased business operating costs.
	TC3	3. Increased product prices.
	TC4	4. Decreased customer volume.
	TC5	5. Difficulty in maintaining business operations.
	TC6	6. Lack of financial support from relatives.
Social Capital	**XH1**	1. Negative changes in relationships with customers.
	XH2	2. Reduction in employees or workers.
	XH3	3. Poor interactions with other vendors.
	XH4	4. Tensions with regulatory authorities.
	XH.CD1	5. Mobile vendors occupying sidewalk space illegally.
	XH.CD2	6. I will stop mobile vendors from operating on sidewalks.
	XH.DD1	7. I prevent fixed vendors from operating on sidewalks.
	XH.DD2	8. Pedestrians no longer purchase my goods.
Physical Capital	**VC1**	1. Unclear sidewalk allocation for business purposes.
	VC2	2. Insufficient space on the sidewalk for business operations.
	VC3	3. Worry about being fined by regulatory authorities.
	VC4	4. Concerns about safety and order.
	VC5	5. Feeling restricted from using public spaces.
	VC6	6. Difficulty accessing public utilities (e.g., electricity, water).
Human Capital	**CN1**	1. No desire to pursue further education.
	CN2	2. Feeling job instability.
	CN3	3. Lack of professional skills for career shifts.
	CN4	4. Lack of family support for business activities.
	CN5	5. Poor physical health.
	CN6	6. Poor mental health.
Public Capital	**CC1**	1. Difficulty accessing public administrative services.
	CC2	2. Difficulty accessing social resources.
	CC3	3. Limited access to vocational training and career guidance support.
	CC4	4. Guidance for "Checking and registering temporary sidewalk use in District 1."
	CC5	5. Lack of language support for business operations.
	CC6	6. No subsidies or support for regulatory policy compliance.

Source: *Tuyền, V. T., Khanh, T. T .L, Khoa. T. Đ, 2024*

- **Lottery tickets (9.8%)**,
- **Souvenirs (5.52%)**,
- **Household goods (2.45%)**,
- and other miscellaneous items.

The study also reveals differences in vendors' awareness of the sidewalk fee policy. Only **31.9%** of survey participants were aware of the policy's existence, while **68.1%** were unaware. Nevertheless, a large majority of **fixed vendors (97.5%)** expressed their intention to continue operating, compared to **82.5% of mobile vendors**, who also intended to stay in business. However, **17.5%** of mobile vendors expressed a desire to transition to more stable jobs due to difficulties in adapting to the changing policy environment.

4.1.2. Model reliability testing

Using the proposed research model, the reliability of the model was tested via **SPSS**before analyzing the relationships between the policy and livelihood factors. The **Cronbach's Alpha reliability test** was employed to assess the reliability of the measurement scales. A scale is considered reliable if its Cronbach's Alpha value falls within acceptable thresholds. Specifically (Nunnally, J. C., & Bernstein, I. H., 1994; Hair, J. F., et al., 2010):

- **Item-total correlation coefficient > 0.3**: Indicates that the item correlates well with the total scale.
- **Cronbach's Alpha ≥ 0.7**: The scale is considered reliable and suitable for use.
- **0.6 ≤ Cronbach's Alpha < 0.7**: The scale has acceptable reliability.

- **Cronbach's Alpha < 0.6**: The scale has low reliability, is not satisfactory, and requires adjustment or elimination.

Based on the reliability test results using Cronbach's Alpha, the measurement scales for **"Financial Capital," "Social Capital," "Physical Capital," "Human Capital,"** and **"Public Capital"** are presented as follows (Table 5):

The results in **Table 5** indicate that the Cronbach's Alpha coefficients are greater than **0.6** and less than **0.95**, and the item-total correlation coefficients for each component factor within the scales are all greater than **0.3**. Therefore, the above scales are considered reliable and suitable for further analysis.

4.1.3. Current Status of Livelihood Assets of Fixed and Mobile Vendors

- **Financial Capital**

The implementation of the sidewalk usage fee policy in District 1, Ho Chi Minh City, has posed certain challenges for the business operations of both fixed and mobile vendors. To evaluate the financial capital of these two groups, the study focused on analyzing aspects such as customer volume, revenue, financial support from family, difficulties in maintaining business, and the impact of the policy on income and operating costs.

Firstly, regarding customer volume and revenue, mobile vendors are less concerned about losing customers compared to fixed vendors, with average scores of **3.08** and **2.48**, respectively (Table 6). The mobile vendor group exhibited higher consensus (standard deviation of **1.339**), reflecting a shared perception of their ability to flexibly adapt by moving to areas with higher customer demand. Meanwhile, fixed vendors expressed significant concern about a decline in customer volume due to the limitations of their fixed business locations.

However, revenue for both groups was notably affected, particularly for mobile vendors. This indicates that a loss of customers does not directly correlate with a proportional decline in revenue but instead reflects the unique characteristics of each group's business model.

The nature of business operations also determines the initial costs associated with each type of business. Fixed vendors incur higher initial costs for renting space, purchasing business equipment, accessing utilities, advertising, and other expenses compared to mobile vendors. Survey results indicate that the operating costs of both groups are rated below average (standard deviation **1.372**) and are lower for mobile vendors. This suggests that the costs evaluated by the two groups are not fixed initial costs but tend to fluctuate with market conditions.

Notably, neither group opted to raise product prices to offset additional costs, highlighting the sensitivity of pricing to customer demand in a highly competitive environment. This consensus is evident with a standard deviation of approximately **1.4**. To maintain their operations, vendors are forced to accept reduced profits, face intense competition, and refrain from increasing product prices to balance costs.

In summary, **mobile vendors** demonstrate greater financial adaptability, primarily due to their flexibility in finding customers and financial support from their families. In contrast, **fixed vendors** face greater challenges in maintaining customer loyalty and stabilizing revenue. While both groups clearly perceive the negative impact of the sidewalk fee policy on income and costs, differences in financial support access have resulted in uneven levels of impact between the two groups. These findings underscore the need for tailored support solutions to help both groups of vendors adapt more effectively to the sidewalk fee policy.

- **Social Capital**

Social capital plays a crucial role in maintaining sidewalk business operations. It is measured through social relationships, including those with customers, other vendors, employees, and sidewalk management authorities. These relationships not only help vendors sustain their livelihoods but also create a support network that minimizes risks in a highly volatile business environment.

Firstly, positive relationships between fixed vendors, mobile vendors, and sidewalk management authorities are vital for business stability. Mobile vendors often build cooperative relationships and avoid conflicts with other vendors, as this increases their chances of receiving support and stabilizing their business locations. Similarly, maintaining harmony with authorities transforms enforcement actions such as asset confiscation or administrative fines into more empathetic approaches like warnings and reminders, reducing the pressure of regulatory enforcement.

While these social relationships provide benefits, stability remains difficult to achieve due to increasingly strict policies on sidewalk use. Mobile vendors exhibit a higher dependence on social relationships with other vendors and authorities, reflected in high average scores and low standard deviations (below 1). This highlights the vulnerability of this group in the absence of community and government support.

One major challenge is the decline in relationships with regular customers, noted across both vendor groups, with relatively high agreement levels (standard deviation of 1.268) (Table 7). Regulatory measures limiting access to stable business locations have made it harder for vendors to maintain connections with loyal customers. At a macro level, sidewalk businesses are further affected

Table 5. Reliability Test of the Scale.

	Mean if Item Deleted	Variance if Item Deleted	Item-Total Correlation	Cronbach's Alpha if Item Deleted
Scale: "Financial Capital," Cronbach's Alpha = 0.687				
TC1	15,32	20,334	0,528	0,609
TC2	15,06	22,517	0,341	0,67
TC3	14,14	22,375	0,336	0,672
TC4	14,74	19,814	0,57	0,595
TC5	13,65	23,537	0,321	0,674
TC6	14,66	19,131	0,429	0,647
Scale: "Social Capital," Cronbach's Alpha = 0.674 (5 non-significant measurement items were removed)				
XH1	7,05	3,897	0,32	0,816
XH2	-	-	-	-
XH3	5,81	3,801	0,568	0,49
XH4	6,15	3,323	0,616	0,404
XH.CĐ1	-	-	-	-
XH.CĐ2	-	-	-	-
XH.DĐ1	-	-	-	-
XH.DĐ1	-	-	-	-
Scale: "Physical Capital," Cronbach's Alpha = 0.769				
VC1	16,16	21,273	0,468	0,746
VC2	16,83	17,08	0,654	0,694
VC3	16,44	21,33	0,519	0,734
VC4	15,58	22,761	0,386	0,765
VC5	16,23	20,644	0,629	0,709
VC6	15,61	22,025	0,447	0,751
Scale: "Human Capital," Cronbach's Alpha = 0.82				
CN1	12,98	30,44	0,556	0,784
CN2	12,64	31,023	0,61	0,773
CN3	12,91	29,132	0,619	0,77
CN4	12,55	31,243	0,461	0,808
CN5	13,04	29,967	0,663	0,767
CN6	12,91	32,402	0,573	0,782
Scale: "Public Capital," Cronbach's Alpha = 0.776 (1 non-significant measurement item was removed)				
CC1	7,96	12,087	0,526	0,743
CC2	-	-	-	-
CC3	8,8	10,84	0,198	0,76
CC4	10,01	9,534	0,686	0,683
CC5	10,18	10,983	0,685	0,69
CC6	10,38	14,1	0,406	0,779

Source: *Tuyền, V. T., Khanh, T. T .L, Khoa. T. Đ, 2024*

by economic downturns, including rising operating costs, reduced profits, and declining customer purchasing power.

Despite these challenges, the spirit of cooperation and mutual understanding among vendor groups has created an important support network. Fixed vendors generally do not obstruct the sidewalk business activities of mobile vendors (average score: 3.88; agreement level below 1) (Table 7), while mobile vendors feel comfortable operating with high consensus (standard deviation below 1). This underscores the essential role of inter-vendor relationships in sustaining sidewalk livelihoods.

In conclusion, beyond relationships with loyal customers and authorities, collaboration among vendor groups is a critical factor for maintaining sidewalk business operations amidst competition and volatility.

Table 6. Average Scores for the "Financial Capital" Scale of Vendors.

Observed Variables	Fixed Vendors		Mobile Vendors		Both Groups	
	Average Score	Standard Deviation	Average Score	Standard Deviation	Average Score	Standard Deviation
TC1	-	-	2,15	1,433	2,19	1,384
TC2	-	-	2,23	1,405	2,45	**1,372**
TC3	-	-	-	-	**3,38**	1,408
TC4	2,48	1,396	**3,08**	1,339	2,78	1,396
TC5	**3,56**	1,339	-	-	**3,87**	1,224
TC6	2,68	1,704	**3,04**	1,810	2,86	1,762

Source: *Primary data processed, 2024*

Table 7. Average Scores for the "Social Capital" Scale of Vendors.

Observed Variables	Fixed Vendors		Mobile Vendors		Both Groups	
	Average Score	Standard Deviation	Average Score	Standard Deviation	Average Score	Standard Deviation
XH1	-	-	2,48	1,387	2,46	1,268
XH2	-	-	**4,28**	0,968	-	-
XH3	**3,66**	1,221	**3,73**	0,779	**3,69**	1,021
XH4	**3,28**	1,302	**3,44**	0,912	**3,36**	1,123
XH.CĐ1	**3,34**	1,349	X	X	X	X
XH.CĐ2	**3,88**	0,832	X	X	X	X
XH.DĐ1	X	X	**3,94**	0,862	X	X
XH.DĐ2	X	X	**4,11**	0,729	X	X

Source: *Primary data processed, 2024*

Social capital among vendors not only helps address immediate difficulties but also serves as a foundation for building long-term livelihood strategies.

- **Physical Capital**

Physical capital is a critical aspect of sidewalk business operations, encompassing factors such as access to space, perceptions of business locations, access to utilities (e.g., electricity, clean water), and local security and order.

Survey results highlight differences in how fixed and mobile vendors evaluate these factors. Both groups reported relatively few restrictions on sidewalk business activities before and during the initial implementation of the sidewalk fee policy (with a standard deviation of **1.17**) (Table 8). However, fixed vendors (**3.39**) had a clearer understanding of permissible sidewalk spaces for business compared to mobile vendors (**3.21**). Furthermore, fixed vendors (**2.79**) were significantly more satisfied with their ability to access sidewalk spaces than mobile vendors (**2.29**), reflecting discrepancies in space allocation for mobile vendors.

Despite this, consensus within both groups regarding adequate access to sidewalk space was low, with standard deviations of **1.748** for fixed vendors and **1.511** for mobile vendors. This indicates that while fixed vendors may perceive fewer restrictions, this does not equate to a stable business location. Conversely, mobile vendors expressed greater concern due to their lack of fixed business locations.

Regarding security and access to utilities, both groups showed high agreement on the positive role these factors play in maintaining business operations (standard deviations of **1.214** and **1.231**, respectively). Mobile vendors scored higher on average, indicating fewer concerns about security issues at fixed locations and better access to utilities such as electricity and clean water, sufficient to sustain their business operations.

In terms of penalties, mobile vendors were less concerned about being fined due to their mobility (**3.1**), whereas fixed vendors faced a higher likelihood of inspections and fines (**2.76**) for failing to meet business requirements.

In summary, during the initial pilot phase of the sidewalk fee policy, both groups reported minimal restrictions on their business activities. Fixed vendors had a better understanding of permissible spaces and higher satisfaction with access to sidewalk space compared to mobile vendors. However, fixed vendors were not entirely stable in their business locations, as consensus on adequate sidewalk access was low within this group. On the other hand, mobile vendors, despite facing

Table 8. Average Scores for the "Physical Capital" Scale of Vendors.

Observed Variables	Fixed Vendors		Mobile Vendors		Both Groups	
	Average Score	Standard Deviation	Average Score	Standard Deviation	Average Score	Standard Deviation
VC1	**3,39**	**1,410**	-	-	**3,21**	**1,318**
VC2	**2,79**	**1,748**	**2,29**	**1,511**	**2,54**	**1,648**
VC3	**2,76**	**1,295**	**3,10**	**1,132**	**2,93**	**1,224**
VC4	**3,49**	**1,350**	**4,10**	**0,976**	**3,79**	**1,214**
VC5	**3,25**	**1,268**	**3,04**	**1,061**	**3,14**	**1,170**
VC6	**3,70**	**1,462**	**3,83**	**0,952**	**3,76**	**1,231**

Source: *Primary data processed, 2024*

Table 9. Average Scores for the "Human Capital" Scale of Vendors.

Observed Variables	Fixed Vendors		Mobile Vendors		Both Groups	
	Average Score	Standard Deviation	Average Score	Standard Deviation	Average Score	Standard Deviation
CN1	-	-	2,45	1,683	2,43	1,576
CN2	-	-	2,35	1,442	2,77	1,411
CN3	-	-	2,02	1,492	2,49	1,621
CN4	2,90	1,556	2,83	1,777	2,86	1,665
CN5	2,70	1,570	2,03	1,354	2,37	1,499
CN6	2,61	1,258	2,38	1,344	2,49	1,303

Source: *Primary data processed, 2024*

challenges in securing space and lacking stable locations, demonstrated flexibility through mobility, reducing concerns about fines.

Notably, fixed vendors benefit from more stable business spaces but face greater concerns about security and penalties compared to mobile vendors. While both groups exhibited relatively high agreement on these issues, mobile vendors were less concerned about security problems due to their mobility, which allows them to avoid fines. Meanwhile, fixed vendors face higher risks of inspections and penalties if they fail to comply with business regulations. The paradox lies in the fact that fixed vendors, despite having more stable spaces, bear greater risks related to security and penalties compared to mobile vendors, who trade stability for flexibility.

- **Human Capital**

The observed variables measure aspects related to education, skills, health, and family members' participation in business activities. Overall, the average values for human capital were rated below a positive significance threshold (below **3**), indicating that sidewalk vendors face significant challenges in job stability, health, and the ability to develop skills or transition to more stable employment.

First, regarding the desire to continue education (**standard deviation: 1.576**) and professional skills for job transition (**standard deviation: 1.621**), both groups scored among the lowest in human capital factors (Table 9). The variation in group consensus reflects differing perspectives on this issue. Although vendors understand that continued education is positively correlated with transferable job skills, the precarious nature of their work prevents them from pursuing further education. Notably, among mobile vendors, awareness of the need for specialized skills to transition jobs is higher, but their ability to invest in education and skill development is lower than the overall average.

A hidden factor limiting human capital is the current state of physical and mental health and the stability of business operations. For both groups, concerns about health while working outdoors and using part of the sidewalk are almost a luxury. Physical health among mobile vendors (**2.03**) is significantly lower than that of fixed vendors (**2.7**) due to the demands of continuous movement to find customers. However, low job stability (**2.35**) might explain the greater impact on the mental health of mobile vendors (**2.38**).

A positive aspect is the support from family members in business operations, which helps maintain some level of human capital stability for both fixed and mobile vendors. The average scores for fixed vendors (**2.9**) and mobile vendors (**2.83**) do not differ significantly, with relatively similar standard deviations (**1.665**) for

both groups. This indicates that vendors do receive family support, though in some cases, family members are not physically present to assist.

In general, sidewalk vendors, particularly mobile vendors, face numerous challenges regarding human capital. Their desire for education and skills development for job transitions is low, reflecting job insecurity and insufficient investment in personal development. Both their physical and mental health are severely affected, especially among mobile vendors, who are required to move frequently and lack job stability. However, family support remains a positive factor that somewhat maintains human capital stability, albeit unevenly.

The analysis highlights the need for policies to improve human capital conditions, including health support, job stability, and opportunities for skill development and professional growth for both groups.

- **Public Capital**

Access to national public services is essential for citizens' livelihoods and supports the formal business registration needs of both groups. Fixed vendors reported greater ease in accessing public administrative services (**4.4**) to complete legal procedures, including registering for partial sidewalk use for business purposes, with high consensus within the group (**standard deviation: 1.039**) (Table 10). For mobile vendors, although the score was significantly lower than average (**3.35**), it still indicates reasonable access. This demonstrates that urban public administrative services in District 1 are inclusive of all residents and workers in the area.

Additionally, vocational training and skill enhancement support are necessary to help both fixed and mobile vendors transition to more stable jobs. Scores highlight a clear disparity favoring fixed vendors, who are better positioned not only to receive support for job transitions but also to continue stable sidewalk businesses. In contrast, mobile vendors received insufficient support (**2.53**). However, the positive aspect for mobile vendors is their ability to continue business with access to other forms of support, including social infrastructure.

Finally, analyses of access to business support initiatives, such as the "Lookup and Register for Temporary Sidewalk Use in District 1" software, language learning for selling to tourists, and social subsidies for job transitions, show that both groups have very low levels of access. Support for using the software has not been highly effective, as the initiative was launched only after the policy was enacted, creating an information gap between the government and citizens. Vendors, particularly in District 1 with a large influx of tourists, expressed a strong need for English language training but have not received adequate support. Additionally, both groups reported not receiving subsidies to support job transitions after the new policy regulations were implemented. These limitations exacerbate the challenges of maintaining sustainable livelihoods while complying with legal requirements for sidewalk businesses.

In summary, fixed vendors in District 1 have better access to public administrative services than mobile vendors, particularly for legal procedures such as registering for sidewalk use for business. Although mobile vendors are not excluded from these services, they still face significant difficulties in accessing them. Support for vocational training and skill enhancement, especially for mobile vendors, is a critical factor to help them transition to more stable jobs. However, both groups face major barriers in accessing business support initiatives, such as sidewalk management software, language training for tourism, or social subsidies. These challenges hinder their ability to maintain sustainable livelihoods and meet the legal requirements for sidewalk businesses.

4.2. Analysis of Livelihood Strategies for Adapting to the Sidewalk Usage Fee Policy by Fixed and Mobile Vendors

Under current regulations, registering for sidewalk usage requires vendors to own a business space,

Table 10. Average Scores for the "Public Capital" Scale of Vendors.

Observed Variables	Fixed Vendors		Mobile Vendors		Both Groups	
	Average Score	Standard Deviation	Average Score	Standard Deviation	Average Score	Standard Deviation
CC1	**4,40**	1,039	**3,35**	0,765	**3,88**	1,051
CC2	-	-	**3,63**	0,933	-	-
CC3	**3,55**	1,018	2,53	1,432	**3,04**	1,341
CC4	2,30	1,626	-	-	1,83	1,344
CC5	2,03	1,312	-	-	1,65	1,077
CC6	1,59	0,882	-	-	1,45	0,767

Source: *Primary data processed, 2024*

creating significant financial pressure when deciding to continue operations. If they choose to cease their business, they must seek alternative employment as a different livelihood strategy. Survey results regarding the saving habits of fixed and mobile vendors highlight the challenges of securing initial capital for job transitions.

For **fixed vendors**, including both formal and informal businesses, the results show that:

- **38.75%** save regularly,
- **31.25%** save occasionally, and
- **30%** do not save at all.

For **mobile vendors**, only:

- **16.25%** save regularly,
- **26.25%** save occasionally, and
- **57.5%** do not have any saving habits.

Those without savings indicated that their income is frequently consumed by basic expenses, such as rent, living costs, food, and reinvestment in their business, leaving them unable to accumulate savings.Based on these findings, fixed and mobile vendors can adopt three different livelihood strategies, guided by the framework of **Rational Choice Theory**.

Livelihood Strategy 1: Continuing Sidewalk Business Operations

Survey results show that the majority of fixed vendors (**97.5%**) and mobile vendors (**82.5%**) opted to continue their sidewalk business operations despite the pressures of the sidewalk fee policy. This underscores the essential role of sidewalks in supporting livelihoods, particularly for the informal sector—individuals with low educational attainment (**76.875%**) only completed primary school) and limited financial capital.

This strategy primarily revolves around leveraging the low skill requirements (**CN1**) and lack of formal qualifications (**CN3**) needed for sidewalk-based jobs. Although physical health (**CN5**) and mental health (**CN6**) scores were not high, vendors prioritized continuing their operations on sidewalks. Additionally, both fixed and mobile vendors maintain good relationships with neighboring vendors (**XH3**) and local authorities (**XH4**), which reduces friction and supports uninterrupted business activities.

The vendors operate in various sectors, including:

- Food (**34%**)
- Beverages (**28.22%**)
- Motorbike taxi services (**11%**)
- Lottery ticket sales (**9.8%**)
- Souvenirs (**5.52%**)
- Household goods (**2.45%**)
- Other services

According to reports by the Research Institute for Development, the motivations behind these activities include: low capital requirements, lack of skill demands, flexible hours (**Thu & Long, 2023; Hà & Vạn, 2023**), supplemental income, simplicity, older age, stable work (**Hà & Vạn, 2023**), lack of street-facing storefronts, competitiveness, and shared sidewalk space with local residents (**Thu & Long, 2023**). These factors illustrate that vendors maximize the advantages of using sidewalks as a rational choice for generating livelihoods while accounting for their limited livelihood assets.

Mobile vendors, in particular, rely heavily on social capital, despite constraints in human capital and diminishing financial capital. They continue operating as a reasonable choice because alternative livelihood options would likely have higher opportunity costs. When social capital is low, human capital significantly influences income; however, when social capital is high, its impact diminishes (**Boxman, De Graaf, & Flap, 1991**). Switching jobs often results in losing the existing livelihood assets that support their current work, making this transition irreversible.

Under current policies, mobile vendors remain part of the informal economy. Their decisions to sustain their livelihoods face significant challenges related to access to public capital. For instance, mobile vendors encounter greater difficulty than fixed vendors in accessing skill enhancement and vocational training opportunities (**CC3**)—a critical prerequisite for competing within their occupation.

Policy implementation still has limitations, particularly in disseminating information to relevant groups, including both fixed and mobile vendors. Despite efforts by local authorities to promote awareness of the policy, a significant portion of informal fixed vendors and mobile vendors remain uninformed. Survey results reveal that over **60%** of respondents were unaware of the policy. Among fixed vendors, **31 respondents** knew about the policy, while **59 respondents (61.3% of the total fixed sample)** did not. For mobile vendors, **75%**(**60 cases**) were unaware of the policy.

Finally, the prospect of mobile vendors renting or owning a storefront to use sidewalks for business purposes is unrealistic due to the substantial capital investment required and the ongoing expenses exceeding the financial capacity of informal workers. Mobile vendors can only rely on their livelihood assets—especially social capital—to sustain their business until they face vulnerabilities such as fines, confiscation of goods, poor health, eviction from sidewalk spaces, or the loss of social connections supporting their work. Conversely, fixed vendors have a higher likelihood of implementing alternative livelihood strategies.

Livelihood Strategy 2: Continuing Sidewalk Business and Establishing Additional Livelihoods

The strategy of continuing sidewalk business while simultaneously establishing additional livelihoods reflects a creative adaptation to the pressures of the sidewalk fee policy. This approach demonstrates the ability to flexibly leverage existing livelihood assets, particularly among fixed vendors. However, examining the differences in livelihood assets between fixed and mobile vendors reveals varying impacts.

Fixed vendors often have significant advantages in physical capital and public capital. With high average scores in variables such as **VC1 (3.39)**,**VC5 (3.14)**, and **VC6 (3.76)**, they are well aware of the sidewalk spaces they use, face fewer obstacles in accessing business locations, and can easily access utilities such as electricity and water. These conditions provide a favorable foundation for expanding or diversifying livelihoods, such as adding new products or partially transitioning to other forms of business.

Additionally, with more stable access to education and vocational training opportunities (**CC3: 3.55 average score**), fixed vendors can invest in developing the necessary skills to enhance business efficiency or transition to other, potentially more lucrative, industries. Their social capital is also highly rated, reflected in strong relationships with neighboring vendors (**XH3: 3.69 average score**) and local authorities (**XH4: 3.36 average score**), facilitating opportunities to expand or diversify their livelihoods.

Fixed vendors can be further divided into two subgroups: formal and informal businesses. While the advantages of physical capital and public capital are widely acknowledged among fixed vendors, in practice, **formal fixed vendors** are better positioned to invest in expanding their business spaces on sidewalks. **Informal fixed vendors**, however, still face bans on sidewalk sales and risk reductions in their physical and public capital.

In summary, fixed vendors, with their superior access to physical and public capital, are better equipped to adopt this strategy of maintaining sidewalk business while diversifying or transitioning to additional livelihoods. However, the advantages vary significantly between formal and informal fixed vendors, with the latter facing more challenges due to regulatory restrictions.

In contrast to fixed vendors, **mobile vendors**often lack the favorable conditions needed to implement this strategy. Although they effectively leverage social capital, they face significant limitations in **financial, human, and public capital**. Additionally, variables **CN1 (2.43 points)** and **CN3 (2.49 points)** indicate that they show little interest in skill development or formal education—key factors necessary for establishing a new livelihood. Limited financial capital is also a major barrier, as most mobile vendors **lack the savings needed** for initial investments or to sustain supplementary business activities.

To continue sustaining their livelihoods in **District 1**, mobile vendors **maximize their existing advantages in social and financial capital**. They rely on relationships with other vendors and landlords who share sidewalk space, **regular customers, family support**, and **sympathetic enforcement officers** who tend to be lenient toward those in poverty (**Kim, 2020**), rather than actively seeking new livelihood opportunities.

Furthermore, with **low scores in access to vocational training opportunities (CC3: 2.53 points)**, mobile vendors struggle to remain competitive if they attempt to pursue two livelihood strategies simultaneously. This

Figure 1. Formal Fixed Vending Activities on Phan Bội Châu Street, District 1

Source: *Photo by Trần Đăng Khoa, taken on September 30, 2024.*

Figure 2. Informal Vending Activities on Hàm Nghi Street, District 1.

Source: *Photo by Trần Đăng Khoa, taken on September 17, 2024.*

explains why they are often unwilling to risk their **limited livelihood assets** in testing a new strategy, especially given the volatile nature of the informal economy.

Combining sidewalk business with new livelihood creation requires careful consideration of risks and long-term impactsto ensure the strategy is both effective and sustainable for **both fixed and mobile vendors**.

For **fixed vendors**, potential risks include:

- **Rising operational costs**, such as taxes and sidewalk usage fees.
- **Intensifying competition**, as more vendors enter the market.
- **Limited education and business management skills**, making it difficult to expand or diversify business activities.

For **mobile vendors**, major challenges include:

- **Increased regulatory scrutiny** and enforcement.
- **The risk of losing key social connections** that help sustain their livelihoods.
- **Insufficient financial and human capital**, making it difficult to implement a dual livelihood strategy.

In the long run, these challenges could lead to **widening economic and social inequalities** if mobile vendors are unable to sustain their businesses. Additionally, **psychological stress and pressure** from failing to meet increasingly stringent business requirements could force them out of the market entirely. Without **adequate policy support**, they risk losing their livelihoods altogether.

Livelihood Strategy 3: Discontinuing Sidewalk Business

The third livelihood strategy—**discontinuing sidewalk business**—is the most **feasible** and aligns with the current policy environment. However, vendors must carefully consider **the benefits and costs** associated with this decision in relation to their personal needs.

Based on their **livelihood assets, vendors will choose a livelihood strategy** that aligns with their **existing resources**, meaning they will seek jobs that match their **basic skills** or jobs related to their prior experience.

A **2023 sidewalk economy study** found that **48.7%** of vendors migrated to **Ho Chi Minh City** with the goal of starting a business, but **33.5%** lacked professional qualifications. Additionally, **66.7%** considered sidewalk vending as their **primary occupation (Thu & Long, 2023**). Given the lack of **investment in vocational training and skill development**, discontinuing their business operations would likely lead vendors to **low-skill jobs** comparable to their previous work.

Survey data from **2019**(**Hà B. M. & Vạn N. T.**) showed that before entering the sidewalk economy:

- **25.4%** of vendors worked in **agriculture**, and
- **20.3%** were **unemployed**.

Fixed and mobile vendors generate both **benefits and drawbacks** in the sidewalk economy (**Table 10**). However, consumer surveys indicate that **sidewalk businesses remain essential to the city** for several reasons, including:

- **Proximity to homes and workplaces**,
- **Convenience along major streets**,
- **Time savings**,
- **Affordable prices**, and
- **A diverse range of goods**(**Thu & Long, 2023**)**.**

This suggests that the **current policy framework has not yet fully adapted** to the **market demand** and the **broader economic benefits** of sidewalk vending in **District 1**.

Table 11. Benefits and Drawbacks of Sidewalk Business.

Significance	Advantages/Disadvantages	Frequency	Percentage (%)
Benefits	Convenience/Time-saving	372	72,2
	Affordable prices	359	69,7
	Job creation	165	32,0
	Cultural and traditional values	54	10,5
	Poverty alleviation	52	10,1
	Tourism Development	26	5,0
Drawbacks	Traffic obstruction and inconvenience for pedestrians	217	42,1
	Unsanitary food products	177	34,4
	Disorder, insecurity, and lack of order	161	31,3
	Lack of safety/environmental concerns	94	18,3
	Loss of urban aesthetics	76	14,8
	Tax revenue loss	17	3,3

Source: *Survey results by Thu. P. X. & Long. H. V., 2023*

Current vendors need to balance supply and demand factors while adapting to the existing policy environment. **Formal fixed vendors** can leverage their advantages in **physical capital, social capital, and public capital** to expand their business beyond the sidewalk, either directly operating on the extended space or attracting customers. This includes using sidewalks to display goods, provide parking for customers, or as spaces for seating, cooking, and dining for food and beverage businesses (**Lệ, 2023**). Therefore, this livelihood strategy may not be a rational decision for formal fixed vendors.

On the other hand, **informal fixed vendors** are not covered under the policy framework. Continuing their business exposes them to high risks, including **disputes over sidewalk usage rights**and**penalties from enforcement authorities**.

Mobile vendors, typically with low educational attainment, have limited opportunities for formal employment in urban areas. They participate in the sidewalk economy as a means to absorb surplus labor, unemployed individuals, and vulnerable groups in society (**Lệ, 2023**). Their consideration of the third livelihood strategy—discontinuing sidewalk business—is often more influenced by policy restrictions than a voluntary choice.

Livelihood Strategy 3: Discontinuing Sidewalk Business, while aligned with the current policy environment, requires **sufficient livelihood assets** to implement effectively. **Formal fixed vendors** can utilize financial and social capital to transition, whereas **informal fixed vendors** and **mobile vendors** face significant challenges, particularly in terms of **skills and financial resources**, which limit their ability to find stable alternative employment.

This underscores the necessity of **supportive policies** that provide **skills training, access to financial resources, and career guidance** to mitigate the negative impacts of leaving the sidewalk economy. Future research should focus on improving economic opportunities and ensuring equity for vulnerable groups within the current policy context.

4. CONCLUSION AND POLICY RECOMMENDATIONS

This study has explored how fixed and mobile street vendors in District 1, Ho Chi Minh City respond to the implementation of the sidewalk fee policy, using an integrated lens of Rational Choice Theory (RCT) and the Sustainable Livelihoods Framework (SLF). The findings highlight the diverse and complex livelihood strategies adopted by vendors, influenced by varying access to capital assets and institutional constraints.

While the policy contributes positively to public revenue and urban space management, it has also created new barriers for informal vendors—especially those with limited financial and human capital. The research confirms several hypotheses related to behavioral adjustments, capital constraints, and unequal access to adaptive resources. A notable divide exists between fixed and mobile vendors: the former benefit from more stable networks and economic resources, while the latter face vulnerability and restricted mobility.

In reality, current livelihood strategies among sidewalk vendors receive insufficient institutional support. This undermines their capacity to sustain and adapt their businesses under shifting regulatory frameworks.

To improve the policy's relevance and mitigate unintended consequences, the following recommendations are proposed:

- Develop targeted support programs for mobile vendors, including access to microfinance, legal aid, and low-cost vending zones.
- Enhance human capital through vocational training, digital skills programs, and business literacy workshops.
- Promote inclusive stakeholder engagement by involving street vendors in the planning and negotiation of public space policies.
- Strengthen access to public services, including health insurance, social welfare registration, and access to clean water and sanitation in vending areas.
- Monitor and evaluate policy outcomes regularly to ensure that implementation aligns with broader goals of social equity and economic inclusion.

By adopting a more inclusive and supportive policy framework, local authorities can promote not only urban order but also equitable livelihood opportunities for one of the city's most vulnerable economic groups.

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The authors declare that they have no competing interests.

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