

The Effects of Street Vending Legalization: How Regulations (Dis)empower Street Vendors

Jesus Gonzalez-Saucedo, Occidental College | Professor Regina Freer, Occidental College

I. Introduction

The street vending community is stratified and consists of various *types* of vendors. (Dunn 2017; Martin 2017; Milkman 2019; Quiroz-Becerra 2013; Rosales 2013; Vallianatos 2014)

The rapid rise of gourmet trucks, the persistent presence of push-cart vendors, and years of grass-root activism has encouraged many cities and municipalities to experiment with either legalizing or regulating street vending.

(Austin 1994; Dunn 2017; Martin 2017; Wessel 2017)

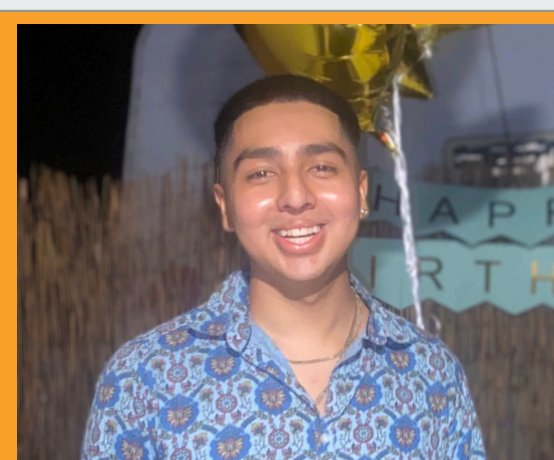
Since Los Angeles is the most recent city to legalize street vending, I utilize Los Angeles as a case-study to better understand the implications, effects, and possible unintended

consequences of street vending legalization.

My logic model is the following: street vending legalization affects a street vendor's ability to transition into a legal business. I hypothesized that street vending legalization negatively affects a conventional street vendor's ability to transition into a legal business because legalization is costly and oftentimes entails extensive regulations and high tax fees. (Austin 1994)

To test my hypothesis and the overall effectiveness of street vending legalization, I investigated whether conventional street food vendors could *afford* to transition into a legal business.

Jesus Gonzalez-Saucedo
Occidental College
Politics
jgonzalezsau@oxy.edu

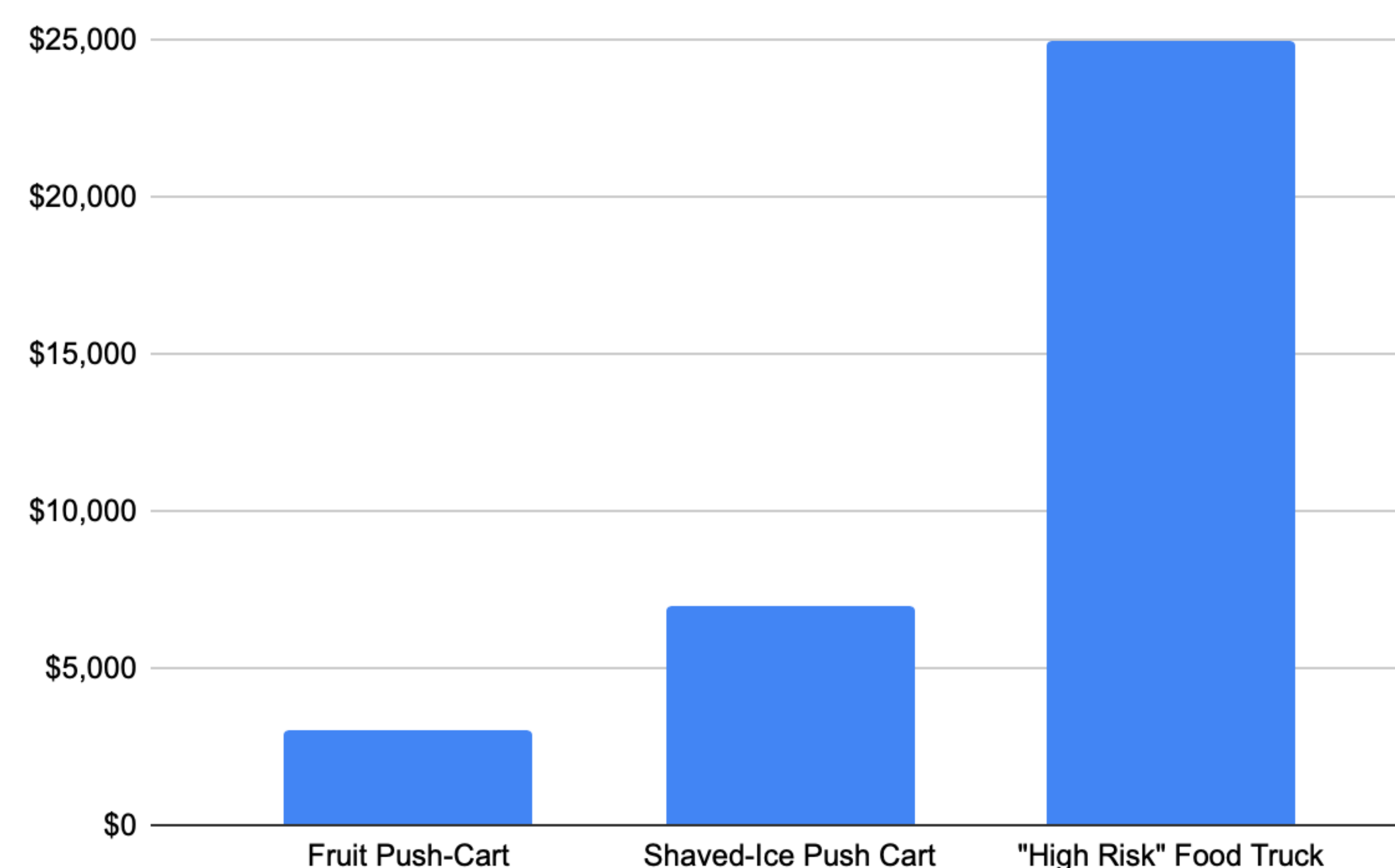


II. Methods

Since my population of interest is unlicensed *food* vendors, the first part of this research consisted of interviewing mobile food facility manufacturers to develop cost estimates of the basic transitional cost.

A "high-risk" mobile food facility has a burner, and it has an average market price of \$25,000; it accommodates various types of hot foods vendors such as tacos and quesadillas vendors. The cost of a "low-risk" mobile food facility vehicle ranges from \$3,000 to \$7,000 depending on the product.

Figure 1. illustrates the stark difference in investment costs between high risk vendors and low-risk vendors.



For the second part of this research, the snowball sampling method was used to recruit participants. The most important quality looked for was that the vendor held an "unlicensed" business.

A total of nine semi-structured interviews were conducted. I utilized the developed estimated cost of mobile food facilities to question participants if they could afford to purchase a mobile food facility and thus become a legal business for their respective food product.

All interviews were conducted via telephone and were recorded with an audio-recording device.

III. Results

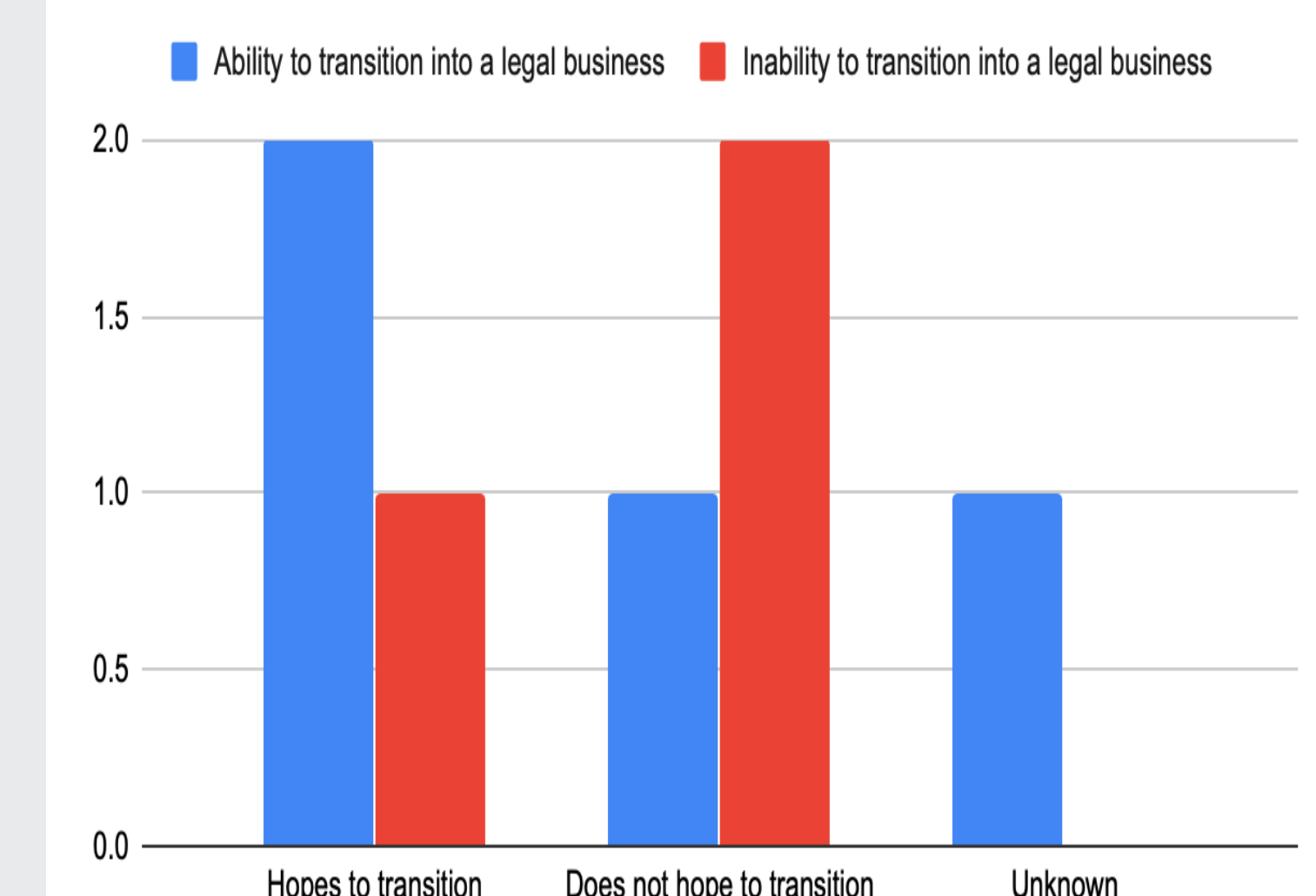
In line with my hypothesis, I found that a majority of vendors could not afford to transition into a legal business.

Since many participants shared similar incomes, it is noteworthy that some could afford to transition whereas others expressed that they could not.

The most significant finding: some vendors on both ends do not have a *desire* to one day transition into a legal business. Those that do not hope to

transition cite unfavorable aspects of regulation such as zoning laws, the numerous fees, and the formalities of legitimizing a legal business.

Figure 2. Contextualizing current ability to transition into a legal business with participant's aspirations of one day transition into a legal business



IV. Conclusions

The large capital investment needed to make the legal business transition marginalizes vendors who lack access to capital due to other institutional barriers.

Despite being framed as such, street/sidewalk vending legalization in Los Angeles was not intended for food vendors: the City already had a costly framework for those who sought to legally sell food. Although analyzing affordability

helped determine the equitability of street vending legalization, it did very little at exposing some of the underlying regulations that deter some vendors from legitimizing their business.

The absence of affordable vending infrastructure, and the existence of unfavorable regulations suggest that street vendors will continue to operate illegally, and thus continue to endure state and civil violence.

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