

# INTRODUCTION

The world's centres of gravity are shifting. Former peripheries are moving to centre stage, challenging not only the economic dominance of the Western powers but the very system on which the established global order has been operating. Informal activities are a crucial factor in this transformation, extending the reach of novel business and commercial formations into ever new areas. Once understood as a marginal phenomenon, informal economies are rapidly becoming a primary focus of efforts to direct future developments, and the attempts of competing politico-economic power constellations to integrate these emerging markets are now a significant source of conflict. But informality is not just an economic issue. Informal markets are also places of intense social interaction, fostering cultures of different values and alternate relations. They are not only sites of the circulation of monetary values but also places where questions of resource sustainability, cooperative decision making, and social cohesion come into play — issues that acquire critical importance in times of crisis.

This reader forms part of a two-volume publication: While the objective of its sister volume, the *Informal Market Worlds* atlas, is to put informal markets on the map<sup>1</sup> — rendering visible the fault lines within global economic governance — this collection of essays written by leading scholars in the fields of architecture, sociology, spatial culture, urban anthropology and globalization studies aims to address what is at stake in the politics of informality in the age of global markets. What connects the chapters of this book is their quest to identify, analyze and engage with the competing interests that are directing today's political framing and application of the concept of informality in different parts of the world.

When the anthropologist Keith Hart, one of the contributors to this volume, coined the term “informal economy” in his article on “Informal Income Opportunities and Urban Employment in Ghana” in 1973, he was motivated in part by a dissatisfaction with the ignorance of hegemonic economic discourses and the conceptual failure of “western categories” to grasp a significant share of the world's economic goings-on.<sup>2</sup> Since then, among the many things that have changed in global economic politics is a surging interest in informality, its varying conditions, ramifications and potentials. Numerous conferences have been held on issues across multiple dimensions of informality, from informal labour and informal finance to informal dwelling and the informal city to informal governance and informal power. International and development studies programmes at major world institutions and leading universities are now investigating the informal sector in a range of different contexts. And in the area of architectural education, field trips to developing countries that include working on improvement schemes for informal marketplaces and designing low-cost infrastructure have almost become a staple of curriculums.

While estimates of the size of the informal economy vary — in some accounts encompassing more than half of all economic activities in certain regions<sup>3</sup>, in others affecting up to two thirds of their working populations<sup>4</sup> — it represents a huge potential market.

Initially the notion of informality was primarily embraced by institutions such as the International Labour Organization (ILO), which sought to promote highly regulated economies, equating informality with a passive suffering of underemployment (i.e. lack of employment opportunities) that needed to be overcome. There are increasing signs now that this framing has shifted toward an awareness of the appeal of a “culture of informality” and its influence on the interaction between state and society. A 2007 regional flagship publication by the World Bank approached the steady rise of the informal economy in Latin America and the Caribbean in terms of a dialectic of “exclusion and exit”.<sup>5</sup> Besides the often-cited mechanisms of exclusion, the tackling of which is commonly understood to fall within the reach of policy intervention, the report emphasized the impact of exit strategies — conscious decisions not to participate in the regulated economy — by large parts of the continent’s population. Apart from problems of tax evasion and lack of social security, from the perspective of the World Bank, this withdrawal from officially recognized economic institutions poses a wider problem in the sense that it entails an evasion of paradigms of constant growth based on increasing production and efficiency.

This notion of independence — of making the organization of daily life contingent on a set of values that have more to do with the quality of social relations than the accumulation of wealth — has been at the core of many activist-led projects aiming to utilize informal arrangements as catalysts for alternative economies. Conceiving of the informal sphere as a habitat in its own right, these initiatives often draw on the spatial realities of informal organization in which relations revolve around structures of community and cooperation. Spurred by a sense of crisis regarding the limitations of delineable socio-economic models, these contrasting interests in informality are underpinned by a host of speculations and desires that are projected onto this other economy.

The aim of this volume is thus twofold. First, it seeks to sketch out the dynamics animating these multiple demands on informality and, second, it seeks to explore ways of breaking through dominant ways of framing these activities by engaging perspectives from within informal marketplaces as key elements in the forging of new economic protocols. While covering a wide selection of sites and diverse forms of engagement, a common thread that runs through the three sections of this volume is the way they probe the political mentality that shapes our understanding of and ways of dealing with informality: from discussing the operative capital generated by positing informal economies as the “other market” to analyzing the geopolitical conditions shaping the quest for a new political economy and from investigating the multiplicity of bottom-up realignments to examining the potential of informality to contribute to the architecture and spatial organization of our environments.

The essays included in Part I of this book provide an analysis of the growing interest among a wide range of stakeholders in informality’s agency in the organization of human coexistence, both in terms of social relations in concrete, local contexts and, increasingly, at the level of global interaction. This shift in focus reflects the capacity of informal arrangements to mitigate the crisis-ridden logic of the capitalist system. An important point of departure for the chapters in this section is thus the perceived need to critically reflect on the reasons behind informality’s increased relevance as

well as to speculate about dispositions that lend themselves to the emergence of an alternative political economy.

This discussion is opened up by Helge Mooshammer’s introductory essay, which examines the power structures and instruments involved in the politics of informality. He argues that the parameters of informality are not a given but a matter of definition, that the value systems attached to the informal are thus an issue of framing and perspective, of interest and intention. As a consequence, the rise of informal markets as a global phenomenon needs to be understood as situated in a complex web of economic, territorial and ideological interests: the struggle between bottom-up responses to the polymorphic geographies of globalization and persistent top-down attempts to control the main capital of informal markets — collectively created trade environments.

A seminal voice in the debate about the operational value and political currency of informality is the economist Keith Hart, whose work has been ground-breaking in recognizing the significance of economic activities outside the radar of Western institutions. Drawing on a historical delineation of the close intertwinement between formal institutions and informal realities in economic interaction, Hart outlines the necessity of a much more pluralistic and inclusive approach to the relationship between formal and informal and the tension between controlled societal co-ordination (bureaucracy as “the power of public office”) and the diversity of social life in a democratic system (“the power of the people”). Observing an informal take-over of the world by equally informalized finance industries — capital transactions outside the reach of national government policies — he alerts us to the urgent need to conceive new political instruments and establish new social contracts in order to overcome the destructive legacy of three decades of neoliberal deregulation.

Saskia Sassen’s account of the dialectic frenzy between shrinking economies and growing expulsions echoes the sentiment that we are not simply witnessing a particularly difficult phase in the cyclical development of free markets. Sassen points out that we are facing a systemic edge in which the associated acceleration of global inequality is not merely an expression of prevailing economic conditions but has become the guiding principle of the global business of debt-mongering and profit-making. The process of counteracting this negation, Sassen insists, has to begin with making the expelled conceptually visible, with conceiving of an informal jurisdiction. What are the spaces of the expelled? They are not simply dark holes; they are complex sites that are present everywhere.

In her analysis of the global rise of microfinance and the visual politics surrounding it, Ananya Roy shows how aesthetic recognition has been employed in reframing the plight of the world’s poor, transforming them from a dead “non-contributing” residue into a laboratory for creative capitalism. Key to this integrative orientation of “bottom billion capitalism” is a combination of informally orchestrated micro-creditor/debtor relations and a discursive readjustment of informality along economic benchmarks and imperatives of heroic self-entrepreneurship. As Roy argues, affective capital (community coercion, emotional appeal to distant customers, etc.) plays a strategic role in opening up these new market worlds.

The historical consistency of this logic is elaborated in detail in Ignacio Valero’s genealogy of the naturalization of capitalism in Western societies and the ongoing

transition in the exploitation and alienation of the masses from the proletariat to the cognitariat and “emotariat”, the precarious workers of our times whose main assets targeted by speculative markets are their hearts and minds. Contrasting the prevailing chrematistics — the obsession with short-term accumulation of monetary value — with his *EcoDomics* concept, Valero proposes an ecological practice of human and non-human interaction, one in which a triangulated interconnection between *Oikos* (hearth, home, household), *Aisthesis* (matter, senses) and *Koinos* (sociality, community) may lead us to an art of living and making (in) common(s).

Examining the conditions for intervening in the incessant marketization of global relations, the first section of the book concludes with Gayatri Chakravorty Spivak’s response to the occupiers of Wall Street in 2011. In her exploration of the conditions informing a contemporary “What is to be Done?”, Spivak warns against mistaking the creativity of informal markets for a sign of liberation and against separating engagement with the economic realities of the Global South from scrutinization of the manoeuvres of the financial complex of the Global North. She argues that in order to ensure a consistent and comprehensive perspective all instances of democratic intervention will have to be oriented toward educating an undeterred will to social justice and building the public institutions required to cultivate it.

Sharing a focus on the global enmeshment of informal markets and the increasing pressure at the bottom of the economic pyramid, the chapters in Part II turn toward examining informality not as a phenomenon born solely out of local circumstances but as embedded in global politico-economic logics. The reference points for these critical analyses and engagements thus include not only specific places and regions but also distant sites of decision-making, such as multi-national trade associations, global nodes of the financial industries and elite forums of international politics.

The opening essay by Peter Mörtenböck traces these multifarious strata of interference in informal traders’ everyday lives. It locates informal markets as paradigmatic sites of territorial and conceptual mobilizations that unfold by means of transient land use, flexibilized citizenships, and transnational networks of “grey” production. Here, spatial organization is accorded a signifying role in the continuous processes of global political restructuring. Pivotal to the success of emerging attempts to counter-balance this situation (international street trader associations, new civic institutions, etc.), Mörtenböck argues, are thus steps that go beyond the reduction of informal markets to a concept of space and instead embrace them as spheres of a counter-public, as an expression of social praxis.

AbdouMaliq Simone and Rika Febriyani’s study of informal produce markets in Jakarta that have nested themselves into the spatial and temporal voids of urban infrastructures and official governance demonstrates how formal and informal arrangements are not opposing features but complimentary practices of life in a twenty-first-century mega-city that exist *within* each other and are supported by a web of mutual aspirations and diffusions. Their observations reveal that this interdependency should not be equated with a kind of stable equilibrium. Instead, we need to take into account the fluid transitions between an upheld indeterminacy as a prerequisite of informal trade and the deteriorating livelihoods of the urban poor in the wake of macro-changes in urban economies.

Moving on to the media markets of Bangalore, Lawrence Liang takes us on a tour through the intricate labyrinth of cultural references and transnational trade relations unfolding in the deals of global stakeholders. Teasing out how corporate decisions have shaped the availability of technological resources in Southeast Asia and how these outcomes have in turn been appropriated through the acquisition of cross-cultural knowledge helps to challenge dominant narratives about the informal being inescapably subordinate. Yet Liang’s essay also highlights how moments of economic self-determination are consistently met with violent policing by the state as a proxy for vested interests.

In the majority of disputes about pirated goods and copyright infringements, China is presented as the main culprit. In “Informal China” Jiang Jun embarks on an epic journey through the historical evolution of the country’s political, economic and cultural mindset. Beginning in the eight century B.C.E. and exploring the divergent interests of agriculturally based, centralized rule on the one hand and trade-oriented port cities on the other, the rise and fall of China as a maritime power during the Yuan and Ming dynasties, Communist rule and the evolution of “socialism with Chinese characteristics”, in which development is the only absolute principle, Jun sketches the overarching tensions in governance between the cultivation of an “economic” spirit as expressed in peripheral, informal, bottom-up activities and territorially exercised control. In the past decades, the maxim of “seeking common ground while allowing for minor differences” has become spatially imprinted in the country’s development of Special Economic Zones, in-between spaces straddling the inside and outside of liberalized markets, geographically, ideologically and socially.

Urban transformation is also at the core of Vyjayanthi Rao and Vineet Diwadkar’s essay about the displacement of informal trade in the cities of Ahmedabad and Mumbai. Their documentation of emerging patterns of spatio-political intervention in marginalized economies shows how informality is conceived of foremost as a problem of governance in the formalization of markets in post-colonial contexts. The ensuing patterns of intervention not only dispossess people. Indifferent to the spatial logics of informal economies, the disciplinary matrix of enforced boundaries and regulations violates and destroys the complex foundations of informal social ecologies based on the flux of collective resource adaptations and situational absorption.

The task at hand is thus not a reconciliation between the formal and the informal. Indeed, what emerges from these analyses is the insight that an integration of informality exclusively geared to hegemonic economic and political paradigms raises the dual threat of augmenting the exploitative dimensions of informality while eroding the social and cultural wealth of informal relations. In “Speculative Futures”, the last chapter of the second section of this book, Matias Viegner opens up the discussion of how to think differently about our implicatedness in these processes through an experimental engagement in the aesthetics of informality. Unravelling the relations between social practice and cognitive capitalism, Viegner revisits emblematic sites of artistic engagement with informality. Highlighting the precariousness of symbolic intervention in an environment of naturalized markets, he insists that we must focus precisely on the changing nature of capital when searching for alternative ways of exchange.

Employing dialogic formats in its analysis of informal spatial production, Part III of this book discusses the possibilities for a changing practice of engagement with informality. In their introductory chapter, Teddy Cruz and Fonna Forman continue the search for critical as well as productive ways of intervening in the politics of informality. They seek to determine how structural improvements in the informal city can contribute to developing a more sustainable economic environment rather than propelling the privatization of the urban realm through formalization: How can we foster ways of encroachment that interrupt the logics of solely profit-oriented markets without themselves emulating capitalist entrepreneurship? As Cruz and Forman's concluding conversation with the architects Alejandro Echeverri and Jean-Philippe Vassal — which is complemented by a set of responses from activists, artists, curators, and theorists, including atelier d'architecture autogérée [Constantin Petcou and Doina Petrescu], Marty Chen, Mauricio Corbalan, Emiliano Gandolfi, Hou Hanru, MAP Office [Laurent Gutierrez and Valérie Portefaix], Rahul Mehrotra, Alejandro Meitin, William Morrish, Henry Murraín, Robert Neuwirth, Kyong Park, Alessandro Petti, Marjetica Potrč, Lorenzo Romito, Lloyd and Susanne Rudolph, Saskia Sassen, Richard Sennett, STEALTH.ultd [Ana Džokić and Marc Neelen] and Jeanne van Heeswijk — makes clear, this implies taking into account a multitude of different perspectives well beyond the narrow framework put in place by official state and industry actors. Emphasizing the spatial performance of informality, this polyphonic analysis shows how such an endeavour requires an understanding of the informal that conceives of it less as an aesthetic category than as a set of everyday practices and processes while clearly recognizing the politics of aesthetics that are at stake.

Informal markets have emerged as a vital part of cities around the world. From the new mega-cities of the Global South to the old centres of political and economic power, they form complex sites of negotiation between multiple political demands, social actors and environmental constraints. Spurred by deregulation and accelerating global flows, they are in many instances tolerated as shock-absorbers of widening social divisions. Yet, whenever these markets show signs of establishing realms of their own, official rhetoric paints them as a threat to social and economic order, a response often followed by government-directed demolition, relocation or privatization. Examining the spatial, cultural and political trajectories of informal economies, the essays assembled in the *Informal Market Worlds* reader — together with the case studies in the atlas — open up an important arena for thinking about alternative approaches and how the practices and mechanisms that sustain informal milieus can contribute to the articulation of policies better adapted to the transnational realities of today's populations.

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- 1 The accompanying atlas brings together more than 70 case studies on the spatial and visual culture of informal markets from around the world. Sites range from street vending in Bangkok's "red zones" and remittance trade on the Polynesian island of Tonga to Vietnamese markets on the Czech border and the 7th Kilometre container market outside Odessa, from Tijuana's sprawling *mercados sobreruedas* and the cross-border trade between Haiti and the Dominican Republic to Guangzhou's counterfeit markets and micro-retailing in Lima. Together, these portraits produce a comprehensive picture of newly emerging spatio-economic typologies of informal exchange and the ways they are adapted to the use of territorial, social and legal resources. Introductory cartographic analyses of the transnational trajectories characterizing these irregular economic and social forces provide multi-angle perspectives on these intersections of local particularities and global dynamics.
- 2 Keith Hart, "Informal Income Opportunities and Urban Employment in Ghana," *The Journal of Modern African Studies* 11, no. 1 (March 1973), 61–89. See also his chapter "How the Informal Economy Took Over the World" in this volume on pages 33–44.
- 3 Colin C. Williams and Friedrich Schneider, *The Shadow Economy* (London: Institute of Economic Affairs, 2013), 45–61.
- 4 Jacques Charmes, "Concepts, Measurements and Trends," in *Is Informal Normal? Towards More and Better Jobs in Developing Countries*, ed. Johannes P. Jütting and Juan R. de Laiglesia (Paris: OECD, 2009), 27–62.
- 5 Guillermo E. Perry et al., eds., *Informality: Exit and Exclusion* (World Bank: Latin American and Caribbean Studies, 2007).