

## Urban Informality as a “New” Way of Life

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Some sixty years ago Louis Wirth wrote that the urbanization of the world in the late nineteenth and early twentieth centuries was one of the “most impressive facts of modern times,” bringing profound changes to the social and economic life of cities and nations.<sup>1</sup> Most importantly, Wirth argued that while the city was the “locus of urbanism,” the urban mode of life was no longer confined to cities. Instead, it involved a more general acceptance of social factors like density, which often accentuated friction and spatial segregation; heterogeneity, which often resulted in social instability and insecurity; and anonymity, which often led to the emergence of individualistic survival mechanisms among urban residents, who were assumed to have come from the less conflictual countryside.

Wirth suggested that “as long as we identify urbanism with the physical entity of the city, . . . and proceed as if urban attributes abruptly ceased to be manifested beyond an arbitrary boundary line, we are not likely to arrive at any adequate conception of urbanism as a mode of life.”<sup>2</sup> He went on to articulate the view that urbanization no longer denoted merely the process by which persons are attached to a place, but the development of a larger system of social relations arising in response to the cumulative accentuation of the above-mentioned urban conditions. Wirth’s urbanism should not be confused here with physical/spatial processes of urbanization, or with the locally driven culture of cities. Indeed, Wirth reasoned that the central issue in studying the city was to discover “the forms of social action and organization that emerge among individuals under these conditions of density, heterogeneity and anonymity.”<sup>3</sup> All of this gave rise, of course, to a particular idea of city residents as (to use Georg Simmel’s language) “blasé” urbanites with highly segmented roles.<sup>4</sup>

In a similar vein, the contributors to this book also look at forms of urbanization and urbanism in an attempt to discover social actors and forms of social organization. However, they target their concern toward practices of urban “informality” that have emerged in recent decades in a variety of Third World contexts in response to worldwide economic liberalization. In regard to such studies, one of Wirth’s seminal contributions was to emphasize that urbanism as a way of life may be approached from three interrelated perspectives: the physical structure, comprising a population base; a system of social organization, involving a characteristic social structure and related patterns of social relationships; and a set of attitudes and ideas of individuals or groups engaged in or operating under forms of collective behavior and/or social control.<sup>5</sup> As the contributors to this book demonstrate, all three of these aspects remain relevant in seeking to understand the meaning and practice of urban “informality.”

Many of Wirth’s ideas, and those of the Chicago School of Urban Sociology of which he was a part, gained tremendous currency in the decades around the mid-twentieth century. The Chicago School represented the first systematic effort to theorize the study of community and urbanism. In the city around them, its scholars witnessed patterns of rapid and dynamic growth driven by migration, which resulted in such recurring ecological patterns as invasion, survival, assimilation, adaptation and cooperation. These patterns demanded three important strands of research: the first dealt with the relationship between individual and community; the second involved the nature and meaning of progress; and the third focused on the relationship between the patterns and processes of urban life.<sup>6</sup>

By the end of the century, however, the Los Angeles School of Urban Geography had fundamentally shifted the agenda away from Chicago School concerns. Using the suburbanizing region of postmodern Los Angeles as its urban model, it introduced a new framework for analysis driven by several key structural features. Among these were an emphasis on the role played by the capitalist economy rather than a concern for ecology and behavior; a focus on urbanization patterns where the form of the center was determined by the hinterland; an appreciation of decentralization as the main engine of growth in the contemporary city; and an awareness of the importance that cities such as L.A. play as loci in a globalizing political economy.

To date, the ideas of the Chicago School, and more recently, the Los Angeles School, have dominated discourse on cities, urbanization and urbanism, not only in the United States and Europe, but also in the countries of the developing world. It is particularly important to recognize how the notions and discourses around Third World cities were mainly generated in the crucible of the Chicago School. Charles Abrams’s seminal *Man’s Struggle for Shelter in an Urbanizing World*, one of the first books to deal with Third World cities, is a good example.<sup>7</sup> In this work, Abrams’s training in Chicago School techniques caused him to assume the existence of a particular

rural-urban continuum and a particular mode by which rural folks were transformed into urbanites. And according to these assumptions, he argued that the new urban migrants often failed to complete the transformative cycle, and hence, for a variety of structural reasons, became squatters.

Despite the origins of this preexisting discourse, the phenomenal growth of cities around the Third World in the last four decades indicates that the urban future does not lie in Chicago or L.A., and that it will not be shaped according to the schools of thought named after them. Rather, the future lies in cities like Cairo, Rio de Janeiro, Istanbul and Bombay, and can best be investigated by looking at them. One important and common characteristic of these places is that older modes of urbanism are being replaced by "new" forms of urban informality that challenge the relevance of previous thinking about "blasé" urbanites. It is in this regard that urban informality, as situated in many Third World cities, may be emerging as a new paradigm for understanding urban culture.

So what is this urban informality, and who are these urban informals? Over the years a fundamental shift has taken place with respect to the idea. In talking about the new migrants to the city, Georg Simmel invoked the socio-psychological concept of the "stranger."<sup>8</sup> Similarly, Robert Park observed that many immigrants were "marginals" — a trait he felt was embedded in their social structure.<sup>9</sup> In general, Simmel believed the marginal personality to be a manifestation of cultural hybridity — of living on the margin of two cultures without being a full member of either.<sup>10</sup> And such notions of passivity were legitimated by the ethnographic work of Oscar Lewis in the late 1950s and early 60s. By generalizing from research among the urban poor in Puerto Rico and Mexico, Lewis was able to advance a theory about the "culture of poverty" that had much in common with Chicago School views.<sup>11</sup>

In the late 1960s, however, this dominant perspective was challenged by scholars working in Latin America. Among others, Janice Perlman and Manuel Castells argued respectively that marginality was a myth employed as an instrument for the social control of the poor, and a mechanism of collective consumption that determined the social order of the urban poor.<sup>12</sup> Such scholars stressed the view that the urban poor were not "marginal," or excluded from society. Rather, as Asef Bayat has written, such populations were fully integrated into society, but on terms that often caused them to be economically exploited, politically repressed, socially stigmatized, and culturally excluded.<sup>13</sup> As Castells noted, however, this did not stop the poor from aiming for "social transformation" through their everyday struggle for urban services or "collective consumption."<sup>14</sup>

Whether they are today called "urban marginals," "urban disenfranchised," or "urban poor" (and these terms are often used interchangeably), the current era of global restructuring has greatly increased the number of such people, and it has led to an explosion in the range of their activities. Indeed, according to Bayat,

urban informals today represent an “[ever] increasing number of unemployed, partially employed, casual labor, street subsistence workers, street children and members of the underworld.”<sup>15</sup> It is within this context that we should try to understand how the concept of urban informality has developed and taken root in contemporary urban discourse.<sup>16</sup>

#### URBAN INFORMALITY: A HISTORIOGRAPHY

Any discussion of informality inevitably must begin with the emergence of the “informal sector” as a concept in the early 1970s. The discussion was ultimately rooted in descriptions of the movement of labor to cities in the 1950s and 60s. Among the earliest to identify this trend, W. Arthur Lewis proposed a two-sector model for understanding the new migration of people and the manner of their employment.<sup>17</sup> Lloyd George Reynolds further identified these groups as a state sector and a “trade-service” sector. He described the latter as “the multitude of people whom one sees thronging the city streets, sidewalks and back alleys in the developing countries: the petty traders, street vendors, coolies and porters, small artisans, messengers, barbers, shoe-shine boys and personal servants.”<sup>18</sup> Eventually, studies of the informal sector were to diverge in many different directions. And by the late 1970s Caroline Moser was to describe the informal sector as simply “the urban poor, or as the people living in slums or squatter settlements.”<sup>19</sup> Moser did note, however, that certain activities, such as those related to the improvement of housing in squatter areas (particularly by rural migrants), could be considered typical of it.

In hindsight, it is curious to note how, even though the “informal sector” embodies a broad set of activities and people without clearly identifiable characteristics, scholars continued to represent it by means of a dualistic framework. To understand the source of this distinction, it is important to trace the term to the work of Keith Hart.<sup>20</sup> In the 1970s Hart first made a distinction between formal and informal sectors, basing his distinction on types of employment — whether wage-earning or self-employment — with the degree of rationalization serving as the key variable. Specifically, Hart noted that the “informal” (or traditional or underemployed) urban poor often engaged in petty capitalism as a substitute for the wage employment to which they were denied access.<sup>21</sup>

A few years later, Dipak Mazumdar designated as informal the unprotected urban labor market, as opposed to the “protected” one in the formal sector.<sup>22</sup> And a similar two-sector dichotomy came to dominate the position of the International Labor Organization (ILO). In a 1972 report, the ILO stated that the informal sector referred primarily to the activities of “petty-traders, street hawkers, shoeshine boys and other groups ‘underemployed’ on the streets of the

big towns, and includes a range of wage-earners and self-employed persons, male as well as female."<sup>23</sup> The report argued that these informal activities represented a way of doing things "characterized by: a) ease of entry; b) reliance on indigenous resources; c) family ownership of enterprises; d) small scale of operation; e) labor-intensive and adapted technology; f) skills acquired outside the formal school system; and g) unregulated and competitive markets."<sup>24</sup> It is important to note how the ILO's assumptions about these immigrants — forming the majority of the urban informals — were little changed from those of the Chicago School. However, the ILO's contribution to the evolving understanding of urbanization (and the ensuing characteristics of urbanism) lay in its shift of focus from the social life of settlements to the forms of production within them.

In the years that followed, the ILO's dualistic conception of the informal sector gained widespread popularity. As Ray Bromley has argued, this was in part due to its "embodied policy implications, which were convenient for international organizations and politically middle-of-the-road governments." Specifically, support for the informal sector appeared to offer the possibility of "helping the poor without any major threat to the rich."<sup>25</sup> However, the seemingly ambiguous definition of "informals" underlying the ILO view — focused on unorganized, self-employed individuals — soon also became the subject of more serious scrutiny. In particular, the work of two groups, based principally on Latin American case studies, came to dominate urban-theory debates. One group dealt with questions relating to the internal structure and function of the informal sector, focusing on whether informality consisted of particular groups of individuals and/or specific types of enterprise. The other examined the nature of the informal sector more generally, and ultimately led to two comprehensive theories. One considered informality to be a marginalized sector, a temporary manifestation of underdevelopment characterized by survival activities of the urban poor. The other considered it to be closely connected to the formal sector — an essential, permanent component of a modern economy.<sup>26</sup>

#### URBAN INFORMALITY: A TYPOLOGY

In 1994 Cathy Rakowski analyzed the debate on urban informality that had emerged in the 1980s according to four main approaches.<sup>27</sup> At the time her typology was primarily concerned with understanding the informal sector in Latin America; and today it cannot fully account for the development of this sector in other regions of the Third World. Nevertheless, it is convenient to adopt Rakowski's typology here, and modify it to accommodate the cases of South Asia and the Middle East. Rakowski's typology made a fundamental division between two groups — essentially the structuralists and the legalists. The former com-

prised the ILO and advocates of the underground economy; the latter included Hernando De Soto and the advocates of microenterprise perspectives.

According to Rakowski, the roots of the structuralist approach could be traced to ILO urban labor-market research conducted in the 1970s, and to later neo-Marxists and dependency theorists. The ILO school emphasized “cleavages in economic and social composition between formal and informal economies,” and “infer[red] that the proper role of the state [was] to help equalize differences.”<sup>28</sup> By contrast, advocates of the underground economy (also known as the black market) rejected such notions of dualism and focused on the way “forms of production, productive units, technologies, and workers” were integrated into local, regional, and international economies.<sup>29</sup> The latter group was particularly critical of the view that the informal sector was a small-scale, easy-entry, “way of doing things.” Alternatively, they conceptualized informality as a “status of labor” (undeclared and noncontractual, lacking benefits, paid less than minimum wage, etc.); a “condition of work” (hazardous, unprotected); and “a form of management of some firms” (involving such strategies as fiscal fraud and unrecorded payments).<sup>30</sup>

Rakowski argued that the significance of the structuralist approach lay in its view that informality in peripheral societies was the “expression of the uneven nature of capitalist development.”<sup>31</sup> Indeed, under certain conditions, structuralists even believed the informal economy could be considered a growth economy.<sup>32</sup> By contrast, proponents of the underground-economy approach considered the “informalization” concept to be little more than “a mechanism to reverse the costly process of proletarianization and weaken the rights of workers and unions with the acquiescence of the state in the interest of renewed economic growth.”<sup>33</sup>

According to Rakowski, the other major approach to informality encompassed neoliberalist perspectives, and stressed the “legal, bureaucratic” position of the state underlying the sharp divisions between formal and informal economies.<sup>34</sup> This legalist approach relied heavily on economic modeling of concepts like “efficiency,” and “rational process”; and social concepts like “moral” positions. It was probably best exemplified by its proponents’ use of such terms as “informality,” “informal sector,” and “informals” interchangeably with such terms as “enterprising activities” and “entrepreneurs.” But much of the discussion within this group focused on “entrepreneurs and institutional constraints that make informality a rational economic strategy.”<sup>35</sup>

Proponents of this approach often adopted views similar to the structuralists — in particular, in terms of their notions of dualism and the marginalization of certain economic activities and actors. The legalists, however, emphasized the importance of income-generating efforts and expenditure/saving activities.<sup>36</sup> They also generally differed with the structuralists as to the root causes of informality and its effects, particularly its role in economic growth — although they did agree that rural-urban migration acted as a catalyst for informality.

One of the main figures within this group, Hernando De Soto, regarded informality in his early work as a "survival strategy" — "a safety valve for societal tensions."<sup>37</sup> He wrote that this was undertaken by the poor with "ingenuity and "entrepreneurial spirit."<sup>38</sup> De Soto rejected the notion of a defined informal sector; instead, he viewed the informal economy as including all extralegal activities — both market and subsistence production, as well as trade. In general, legalists like De Soto attributed the rise of the informality phenomenon to excessive state regulations, and not to the dynamics of the labor market. Consequently, they saw informal activity as a means for breaking down legal barriers. According to De Soto, informality was a natural response to real market forces, and not to the rise in unemployment and the need for jobs. For him, the informal entrepreneur was an economic hero who managed to survive and prosper despite the state's continuous controlling measures. Thus, informals served a beneficial purpose in the development of a competitive capitalist economy, both by helping reduce imports and by supplying goods and services. And, although it was officially unaccounted for, the wealth created by the informals provided a real path to development.

Despite its many weaknesses (as pointed out by scholars such as Alejandro Portes and Ray Bromley), the legalist approach had a significant impact in a number of contexts, particularly micro-level professional interventions by non-governmental organizations, international donor agencies, and private entrepreneurs. The goal of their work was often poverty alleviation through the encouragement of small enterprises, and practitioners of such work had little interest in broad theories about the informal sector.<sup>39</sup> Instead, they were concerned with designing programs to address the needs of the poor, and with raising funds to implement them, primarily through credit programs.

The neoliberalist, legalist approach of De Soto and the microenterprise NGOs has garnered great political support in the last decade and a half in much of the Third World. This has occurred simultaneously with the introduction of new possibilities for development based on market mechanisms. Today such mechanisms include the proliferation of integrated international production and the growing hegemony of the International Monetary Fund and the International Bank for Reconstruction and Development. Characteristically, the latter institutions have promoted a worldwide regime of trade liberalization, reform of exchange rates, and privatization.<sup>40</sup> However, this global framework of restructuring and capital flows has had highly uneven spatial effects. For example, the promise of the market, as measured by the inflow of Foreign Direct Investment (FDI), has played an instrumental role in the rapid industrialization of some Asian countries. But elsewhere the internationally mandated structural-adjustment and austerity measures of the 1980s have caused economic collapse, with little evidence of subsequent recovery — particularly in sub-Saharan Africa.

## OTHER INFORMALITIES

Research in Latin America throughout the 1980s not only brought to light the crucial role of informal processes in shaping cities, but also situated informality firmly within the larger politics of populist mobilizations and state power. Today, however, it may be this political orientation of the formative Latin American research that may need most to be reworked in terms of Middle Eastern and South Asian contexts.

Some years ago I argued through a comparison of the Middle East to Latin America that the process of urban informality, at least in the housing sector, seemed quite distinct in these two contexts. This was not merely due to the existence of different mechanisms of land-market operation, but also (and mainly) because the different contexts were marked by different cultural specificities.<sup>42</sup> Based on selected case studies of housing practices, I suggested that while urban informality in Latin America normally engaged organized political affiliation and established a reciprocal relation between squatter groups and the state, in the Middle East it was the relative depoliticization of such processes that best guaranteed the prospects of the urban poor. Thus, I concluded that if land invasions were most likely to occur, or be encouraged, in Latin America under conditions of *political* change — say, at election times — such occupations were more likely to occur in the Middle East during times of *economic* transformation. I further suggested that while political participation in some Latin American contexts often sustained important gains, in a place like Egypt the conditions were exactly the opposite: that is, a withdrawal from all formal channels and an attempt to achieve political invisibility was the best strategy for illegally subdividing agricultural land and transforming it into informal urban housing.

Asef Bayat's work has supported this point.<sup>43</sup> He has argued that the struggle of Middle East informals is "not a politics of protest, but of redress." As such, it has two main goals: "the redistribution of social goods and opportunities, and attainment of cultural and political autonomy."<sup>43</sup> Furthermore, these goals can best be achieved through relatively invisible means such as bribery and/or settlement in low-profile areas.

In 1993, when I first compared informal housing practices in Latin America and the Middle East, I was concerned with the political culture of urban space. I defined culture as a broad system of values and norms that mediated relations among the urban poor, and between them and the state. What I did not take into account were the aspects of culture that contributors to this book deal with at a variety of detailed levels: ethnicity, race and class.

In this moment of neoliberalism, we are starting to see the reconceptualization of poverty as a form of efficiency of production. Yet while NGOs are often complicit in this neoliberal agenda, the driving paradigms in their spheres of



influence are often ethnic and social difference — sometimes more gendered in the context of the Middle East, or more racialized in the context of Latin America. Thus, projects such as de-Arabization, de-indigenization, Judaization, Creolization, and Mestizoization often reveal forms of tension that go to the heart and substance of urban informality as a concept and a lived experience. For example, at the end of their chapter in this book, Oren Yiftachel and Haim Yakobi tell us that in Israel liberalization and nationalism have evolved in parallel, but with little mutual coordination. A new empirical exploration and intellectual conceptualization is urgently needed to engage such projects. Similarly, the contemporary processes of informal urban development requires us to update our analytical toolkit.

As we go about this task it is important to recognize that both Latin America and South Asia have rich traditions of theorizing about the structures and mechanisms of state power; by contrast, these views are largely absent from Middle East scholarship and experience.<sup>44</sup> Beyond this, the South Asian perspective raises two particular sets of issues about informal urban development under conditions of liberalization that resonate strongly with empirical evidence from Latin American and Middle Eastern contexts.<sup>45</sup> First, what transactions and struggles make agricultural land available for informal urbanization? And second, what are the forms of vulnerability that are being engendered by these processes of informality?

Most importantly, even though such questions emerge from specific historical and socio-political contexts, they enable the extension of inquiry concerning urban informality from one initially dominant and important region — namely, Latin America, with its specific political regimes — to other regions, which may be characterized by a variety of political systems ranging from military to authoritarian to Communist. It is just such a goal that provides a focus for the contributors to this book.

## LIBERALIZATION, GLOBALIZATION, AND URBAN INFORMALITY

It is easy to argue that globalization and liberalization are today giving rise to new geographies. Likewise, new forms of informality are emerging in some areas, while in others old forms are reestablishing themselves. However, the relationship between globally driven liberalization and locally based informality is often ambiguous. In the first section of this book, Alan Gilbert, Arif Hasan, and Asef Bayat attempt to unravel aspects of this relationship with reference to Latin America, Southeast Asia, and the Middle East.

In his chapter “Love in the Time of Enhanced Capital Flows: Reflections on the Links between Liberalization and Informality,” Alan Gilbert attempts to

define various elements of this linkage with a focus on Latin America — specifically the relationship between economic liberalization and the “informal sector.” He demonstrates that despite some success, particularly in terms of the legalization of informal housing, economic liberalization has brought a general deterioration in living conditions. However, he emphasizes that no general conclusions can be reached as to the impact of liberalization on informality, since both phenomenon are shaped by local social and global economic processes.

Gilbert’s view emerges from observation of the liberalization drives of seven Latin American countries and subsequent impacts on employment patterns. His comparative exercise focuses on countries once characterized by policies of import substitution which have now passed through periods of structural adjustment and the introduction of the New Economic Model. Latin America may be unique in this regard, he says, because liberalization often started under unpopular military regimes, sometimes succeeded by democratic governments — a process resulting in a “potent blend of anarchic liberalization.” Yet, in spite of some variation, Gilbert argues that one common outcome has been that local firms have been put out of businesses and forced to modify employment practices. He hypothesizes that a “new structural situation has developed whereby economic instability produces moments of high unemployment so suddenly that the informal sector is unable to absorb the surplus labor force.” He points out that volatility in working conditions often means that individuals must move from one sector to the other during the course of a single day. For example, an individual may work in the formal economy eight hours a day, but then spend the rest of his or her time living in informal housing.

Gilbert also identifies three key issues at the heart of the ambiguity underlying economic liberalization and its workings: first, that government-advertised liberalization varies from real-life, ground-level liberalization; second, that it is often impossible to clearly define the informal sector and its extent; and third, that both liberalization and informality are highly localized processes. He notes that the link between liberalization and informality becomes particularly ambiguous with regard to housing. This is due to the long history of informal housing in Latin American cities — what he views as a form of self-help — which manifested itself decades before the era of liberalization. Gilbert concludes by suggesting that local-level analysis is critical to unraveling the relationship between liberalization and informality.

Arif Hasan’s chapter, “The Changing Nature of the Informal Sector in Karachi due to Global Restructuring and Liberalization,” explores some important breaks with earlier forms of informality by examining the effects of liberalization on the informal sector in Karachi. Hasan’s observations show that in some parts of the world, liberalization has resulted in the emergence of a First World economy and sociology with a Third World wage and political structure.

He argues that economic liberalization and structural adjustment have increased the socioeconomic divide within the urban populations in Pakistan. For example, liberalization has led to increasing inflation, which has forced ever more people to take on more than one job — with the other job usually being in the informal sector. Simultaneously, privatization has made formerly cheap government land an important commodity that is now inaccessible to the urban poor.

Hasan contends that the communications revolution is creating new consumerist aspirations in Pakistan, as an ever greater part of the population desires to belong to the “contemporary” world portrayed by the media. He argues that in the absence of formal means to achieve these aspirations, the informal sector has stepped in to provide products and services to bridge the gap. This means that the informal sector in Karachi today mainly caters to upwardly mobile residents, since serving the needs of the poor means less profit and greater marginalization from formal-sector processes. This situation has led to increased crime, mainly in informal settlements where households do not have access to the same level of security as the upper class.

Liberalization has had political implications as well. For example, Hasan points out that most new informal settlements are located on cheap land far from the city center. As a consequence, their residents cannot dominate the politics or economy of the city in the same way residents of older informal settlements once did. As formal-sector industries have become less labor intensive, Hasan also points out that links between informal workshops and formal-sector industries are slowly eroding. And with the state sector diminishing, politicians are no longer able to hand out favors. Such a patronage system is now being replaced by cash payments to protect activities that do not comply with state regulations. In conclusion, Hasan points out that liberalization has transformed old forms of informality, and given rise to new forms that are focused mainly on the new middle class. However, many members of this class are now rejecting the global order through political and religious practices.

In his chapter “Globalization and the Politics of the Informals in the Global South,” Asef Bayat looks at the politics of marginalized urban groups in Third World cities. He begins by examining the shortcomings of prevailing perspectives about such people: the essentialism inherent in notions of the “passive poor”; the reductionism of the “survival strategy”; the Latino-centrism of “urban territorial movements”; and the conceptual perplexity of “resistance literature.” Instead, he argues that the politics of the urban poor can best be understood by means of a model of “the quiet encroachment of the ordinary.” According to this model, ordinary people challenge structures established by the propertied and powerful through silent, largely atomized actions that allow them to survive and improve their lives.

Bayat suggests that these quiet actions contest many fundamental aspects of state prerogatives, including the meaning of order, the control of public space, and

access to public and private goods. His perspective emerges out of observations of urban processes in the Middle East. Thus, he tells how postrevolutionary Iran saw a movement of quiet encroachment of street sidewalks, apartments, and public and private urban land by the poor and middle class. And in Cairo, millions of rural migrants, the urban poor, and the middle class have quietly claimed cemeteries, rooftops, and public lands on the periphery of the city. Similarly, for Bayat, the refusal by many of the urban poor to pay for public services in Alexandria and Beirut is another form of “quiet encroachment.” Bayat points out that when street vendors occupy public spaces, they infringe on formal businesses; but the gains they make through such quiet encroachment come not at cost to themselves or their fellow poor, but to the state, the rich, and the powerful. Although this model of quiet encroachment is based in the Middle East, Bayat believes it has relevance for understanding the actions of marginalized groups in other Third World cities.

Bayat further argues that recent neoliberal policies have led previously privileged segments of the workforce, such as state employees and professionals, to resort to repertoires of quiet encroachment. However, such unlawful action is based on necessity, and is not carried out with deliberate political intent. Bayat insists that theirs is a politics of redress, involving the struggle for immediate outcomes through individual direct action. Yet at the same time that these groups are seeking autonomy from regulations, institutions, and discipline imposed by the modern state, they also need the security that comes from state surveillance. Thus, in their quest for security, they are engaged in a constant negotiation between autonomy and integration, carving out autonomy in any space available. While quiet encroachment is not likely to bring crucial social services such as education, health, and security within reach of urban marginal groups, Bayat believes it remains a viable enabling strategy for individuals and groups.

## THE POLITICS OF URBAN INFORMALITIES

The second section of this book, containing chapters by Janice Perlman, Ananya Roy, Ahmed Soliman, and Oren Yiftachel and Haim Yakobi, takes up the politics of urban informalities and their connection to marginality and space.

In the late 1960s it was argued that squatter communities were populated by those who were doomed by their own laziness and poverty to remain on the margins of life. Through her study of *favelados*, or rural migrants to the *favelas* of Rio de Janeiro, Janice Perlman was among those who helped debunk this myth. In her seminal book *The Myth of Marginality*, Perlman examined the populations of five informal communities in Rio against a backdrop of rapid urbanization, development, and growing animosity toward their residents. These “others,” as they were called, lived on the margins of society and were considered the “cancerous

sores on the beautiful body of the city.” However, after closely examining the lives of 750 individuals and families, both in squatter settlements and unserved subdivisions, Perlman concluded that their social, cultural, political and economic marginality was “empirically false, analytically misleading, and insidious in its policy implications.” Perlman observed that the *favelados* did not exhibit attitudes or behaviors characteristic of marginal people; instead, they were socially well organized, culturally optimistic, and economically hard working. Further, they aspired to a better life, and they held patriotic values. She concluded that the persistence of the myth of marginality was primarily due to class bias. It also fulfilled a political function by isolating different sections of the working class, while reinforcing the idea that marginals could only be integrated by populist policies.

In her chapter in this book, “Marginality: From Myth to Reality in the *Favelas* of Rio de Janeiro, 1969–2002,” Perlman revisited Rio de Janeiro to examine the present status of her 1969 study population. After an interval of three decades, her methodology consisted of locating as many of her original participants as possible and conducting a series of in-depth, open-ended interviews with them. Among other things, Perlman writes that the restoration of democracy in Brazil since her earlier study and the ensuing international investment has been a mixed blessing for these people. On the one hand, political and economic shifts have brought a general improvement of living conditions. But in other regards — such as in quality of education and access to jobs — many inhabitants of Rio’s informal settlements remain “marginal.”

Among other things, Perlman observes that since her earlier study inequality between the rich and the poor has increased dramatically; the number of *favelas* has doubled from the original three hundred she recorded in 1969; and *favela* populations have increased by 40 percent (at a time when Rio as a whole witnessed a population drop of around 7 percent). In addition, crime is now a significant problem for most people in informal settlements. Based on her preliminary findings, Perlman concludes that in many ways marginality has ceased to be a myth; it has now become a reality.

In the following chapter, “The Gentleman’s City,” Ananya Roy explains how the city of Calcutta is being remade at a moment of neoliberal restructuring. She focuses on the urban revitalization efforts of the regional government, the Left Front, calling this a New Communism. A central aspect of this *perestroika* is the eviction of informal vendors and squatters. Thus, on the fringes of the city, long-standing squatter colonies have been demolished to make way for middle-class housing developments initiated through public-private partnerships. Roy points out that these displacements are couched in a rhetoric of cultural improvement, allowing the neoliberal city to be inscribed as the “gentleman’s city,” a genteel city of charm and grace.

While at first glance the urban remaking of Calcutta seems to be an outright annihilation of the informal sector, it turns out that behind the scenes there is a

complex choreography of resettlement and rehabilitation. While all informal vendors or squatters are evicted, not all are resettled. But who will be resettled? And under what terms and conditions? The inherent uncertainty of these processes ensures the loyalty of the urban poor, despite the evictions. And it is thus that urban populism continues in the shadows of urban developmentalism. Such cycles of eviction and resettlement also extend to the urban frontier, bringing remote tracts of land into the realm of urbanization.

How is the neoliberal state able to balance these projects of populism and developmentalism? Roy argues that the power of the state is derived from certain regulatory techniques, such as “unmapping,” that ensure a constant negotiability regarding land rights, property titles, and land use. This territorialized uncertainty guarantees the territorialized flexibility of the state. But Roy also argues that such forms of flexibility come at a cost, most notably in an impasse in urban development. Mimicking the techniques of the state, rival political parties have now capitalized on the unmapping of the city to constantly contest the various land uses and housing projects proposed by the state.

Is there the possibility of social transformation in such a system? Roy shows that there is a deepening vulnerability of the rural-urban poor in the context of neoliberal Calcutta. This is evident in the unceasing circulation of labor across city and countryside. However, it is precisely in this movement that she locates moments of critique, as in the rowdy narratives and everyday political action of women commuters. She argues that such forms of critique do not take hold in the lived spaces of the city. Here, structures of masculinist patronage reproduce a hegemony that includes consent to the very idea of the “gentleman’s city.”

Following this chapter, Ahmed Soliman examines the diversity and complexity of informal housing on the periphery of Greater Cairo and Alexandria in a contribution he calls “Tilting at Sphinxes: Locating Urban Informality in Egyptian Cities.” Among other things, Soliman indicates that global restructuring and market liberalization have led to the emergence of new forms of informal development here in the last several decades that are often characterized by complex and bizarre intersections of urban and rural restructuring. As in Hasan’s Karachi, informality is no longer the domain of the poor in Egypt, but has become a primary avenue to home ownership for the lower-middle and middle classes. Soliman ultimately attributes the diversity of informal housing in Egypt to the great variety of ways informal development has taken place, and to the role of various actors play in sustaining it. To examine all the complexity of the situation, he creates a typology of three main informal housing types — semi-informal, squatting, and hybrid or exformal — which he further breaks down into subtypes and variants.

Soliman writes that several factors lie behind the emergence of the semi-informal and squatter types of housing in Cairo and Alexandria. Among them are land-reform regulations, unfavorable farming conditions, and increasing demand for hous-

ing — all of which encourage agricultural landowners to subdivide their land into small lots for sale. Other important factors are the unclear tenure status of desert lands, patterns of agricultural land subdivision based on Islamic inheritance laws, and the construction of mosques within informal settlements to ensure that government agencies cannot demolish illegal settlements. He also shows how fundamentalist groups in Egypt have deployed religion strategically in informal settlements through specific practices that enable them to realize their objectives. For Soliman, the third type of informal housing (hybrid or exformal) emphasizes the often fluid status of housing in Egypt. Thus, formal housing may be transformed into informal, and vice versa, in response to changing economic and social conditions.

As part of his survey, Soliman identifies various actors who influence and facilitate the emergence of informal housing development — including landowners, private developers, informal service suppliers (such as brokers and contractors), state agencies, and formal-sector institutions (such as banks). Likewise, his estimates of the quantity and asset values of various types and subtypes of informal housing in Greater Cairo and Alexandria reveal how important the informal housing sector is to both cities. In both cities agricultural land on the periphery plays an important role as a spatial reservoir for further informal development. Finally, pointing to the large informal housing sector in both cities and the associated high asset values, Soliman argues that informal ownership should be regularized, allowing housing to play a proper role in the socioeconomic development of the country. The main purpose of research into urban informality in Egypt should be to regularize these informal housing types, he claims.

The last chapter in the section, “Control, Resistance, and Informality: Urban Ethnocracy in Beer-Sheva, Israel,” presents yet another face of urban informality. Its authors, Oren Yiftachel and Haim Yakobi, contend that the phenomenon of informality can be the product of a multitude of forces, including but not limited to the logic of capital. In Israel, in furtherance of the politics of an ethno-nation, planning has been used as an instrument of ethnic control. Thus, urban informality is “created” for the purpose of marginalizing, excluding, and impeding the development of an entire ethnic subpopulation.

In particular, Yiftachel and Yakobi explore state and planning policies that have given rise to practices of informality in Arab residential areas of the Beer-Sheva region. Here the “legal” expropriation of nearly all Arab land by the state has meant that, despite holding Israeli citizenship, most Arabs have lost all rights to land. And in the few cases where Israeli Arabs have documented proof of ownership, they have been given only partial holding rights. In this way Arab areas are deprived of basic development and planning authority, creating massive informality. Unlike other countries in the Middle East, informality in Israel has thus emerged mainly from a drive to maximize Jewish land control — not from the dictates of capital accumulation.

In response to these conditions in the Beer-Sheva region, Yiftachel and Yakobi explain how the Israeli state has given Bedouin Arabs the choice of subsidized relocation into specific serviced towns in exchange for formally withdrawing their outstanding land claims. Spatial segregation and isolation is thus offered as the only alternative to the insecurity and deprivation caused by the original expropriation. Yiftachel and Yakobi point out that similar policies to these in the Beer Sheva region have caused growing tensions across Israel. At the same time that globalization and liberalization of Israel's economy and culture have opened up avenues for Israeli Arabs to break out of their structural and spatial marginalization, the ethnographic politics of the Israeli state stand squarely in their path.

Yiftachel and Yakobi argue that to understand the dynamics of urban space and informality in ethnocratic cities or states, three forces have to be taken into consideration: the logic of capital accumulation, the evolution of modern governance, and the drive for ethnic and national control. The chapter makes an important argument about the contradictions embodied in the ethnocratic nation, or city. On the one hand, this contradiction emerges out of the city's globalizing culture and economy, which deems the city to be "officially" open and accessible. On the other, a city may also be the product of a nationalist logic of "purified" ethnic space, which marginalizes and excludes ethnic and national minorities. The Beer-Sheva case is also instructive in that it shows how informality may result from state practices and not from migrants settling on the urban fringes. Here, the creation of informality allows the segregation and control of a subject ethnic group. The case also makes evident how informality, as a status, may be determined by the nature of a political regime or the form of a state.

## TRANSNATIONAL INTERROGATION

Third World urbanization has normally been studied either as a place-based process in an attempt to explain broader phenomena, or as measured against commensurate First World examples in a dualistic fashion. Since its early days, the study of informality has taken a similar path. Initially, the existence of First World models to be copied in the Third World triggered wide interest in comparative research. This varied from comparing particular urban processes across cities within a country, to comparing cities and approaches across countries and even regions. However, the shortcomings of this comparative method are what today necessitate a transnational approach to urban informality, one that transcends the limitations of comparisons. And by transnational here we mean the idea of using questions and answers generated at one site to more substantially interrogate other, fundamentally different sites. While such an approach underlies many of the chapters in this book, the contributors to its third section set out to actively employ it and reflect on its validity.



The section begins with Peter Ward's chapter "Informality of Housing Production at the Urban-Rural Interface: The 'Not So Strange Case' of the Texas *Colonias*." Ward's transnational approach involves an examination of informality in the United States along the Texas-Mexico border. He argues that the unregulated, substandard subdivisions there are similar to *colonias* in Mexico, and to informal settlements in other Third World countries. As elsewhere in the world, in Texas low incomes and socioeconomic inequality, coupled with the reluctance of the state to provide alternative forms of affordable housing, make unregulated subdivisions the only viable way for low-income families to gain a foothold in the property-owning market. Ward's discussion offers valuable insights on the mechanisms that have facilitated the emergence of the Texas *colonias*. These include the informal Contract for Deed often employed to sell *colonia* plots; the location of *colonias* on county land just outside the city's urban limit where there is little land-use planning and regulation; and the relatively little security offered by quasi-formal subdivisions.

Ward's research also attempts to show how the prevailing perspective of Texas *colonias* as crime-ridden and inhabited by illegal immigrants is as false as were perceptions of squatters in Latin America in the 1960s. Indeed, most of the inhabitants in the Texas *colonias* are legal immigrants and U.S. citizens. Ward's intent is to encourage Texas policy-makers to look at the upgrading programs for informal settlements in Latin America as a model, and to adopt a similar attitude of flexibility toward code-compliance. For example, he writes that policy-makers in Texas have much more to learn about the importance of community participation in determining reasonable standards and planning regulations. In this regard, "illegal" informality in the United States might more profitably be viewed as a transitional stage for bringing affordable housing up to higher standards over time. By focusing upon the border region and adopting a transnational approach, Ward also sheds light on the inequalities reproduced in the United States as a result of the tightening of restrictions on mobility between the United States and Mexico.

Next, in his chapter "Power, Property and Poverty: Why De Soto's 'Mystery of Capital' Is Not So Easy to Solve," Ray Bromley exposes the shortcomings of Hernando De Soto's recipe for altering the conditions of the poor in the Third World and former Communist countries. In a recent book entitled *The Mystery of Capital*, De Soto proposed creating "liquid capital" from "dead capital" by "legalizing" or "formalizing" "extra-legal" or "informal" assets through a system of property entitlement.<sup>46</sup> Such a liberalizing framework is based on what De Soto has called "deregulation, de-bureaucratization and privatization . . . [to] reduce the role of government and focus the state's energies on law and order, defense, money supply, infrastructure, and protecting private property so as to unleash the power of market forces to accelerate economic development."

Bromley bases his critique of De Soto on an examination of three main underlying metaphors: "the mushrooming extra-legal sector"; "lifting the bell jar";

and “going out into the streets to listen to the barking dogs.” According to Bromley, these metaphors form a toolkit for a “why-to-do-it” book, not a “how-to-do-it” one. For example, when he talks about “listening to the barking dogs,” De Soto is suggesting that courts should recognize indigenous and traditional practices in order to legalize existing property holdings. But the problem with such a metaphoric approach is that it lacks evidence and meaningful sources, Bromley writes. For example, there is no single contemporary case that illustrates that the financial costs of such legalization are worth pursuing. Bromley also claims that De Soto fails to recognize how the local actors who would be in charge of this transformation also often have vested interests in the status quo.

De Soto’s views supposedly emerge from ten years of research, recently completed by his Lima-based Liberty and Democracy Institute in five cities on three continents — Lima, Manila, Port-au-Prince, Cairo, and Mexico City. Yet, despite the vagueness of the sources, Bromley reminds us that De Soto’s argument is not new, and that it, in fact, it dates back to early work by De Soto on Lima.<sup>47</sup> However, the real issue, according to Bromley, is that the views expressed in *The Mystery of Capital* both fail to anticipate cracks in the system and to accommodate change. For example, the recent scandal involving the Enron Company’s collapse showed how financial and regulatory structures in the developed world (whose integrity and functioning De Soto takes for granted) may themselves have serious flaws.

The concluding chapter of the book is Ananya Roy’s “Transnational Trespassings: The Geopolitics of Urban Informality.” In her final essay, Roy examines how urban informality has come to be studied and even celebrated in transnational circuits of pedagogy, policy-making, and academic research. Emphasizing the double nature of representation — that it is at once a portrait and a proxy — she shows how the aesthetic framing of the informal sector silences the voices and experiences of informal dwellers and workers. Roy argues that this aestheticization of poverty is a transnational transaction, one where a First World gaze sees in Third World poverty hope, entrepreneurship, and genius. Against such forms of knowledge and representation, she calls for a critical transnationalism, “one given to learning the paradoxes and contradictions of place-based policy rather than prone to copying a litany of best practices or development miracles.”

#### INFORMALITY: AN OLD URBAN MODE OR A “NEW” WAY OF LIFE

What is it then that makes the idea of urban informality new, relevant, or important to study at this time? The answer to this question is very complex, but it is directly or indirectly hinted at, if not answered, in the chapters of this book. At some basic level, as I have already argued, urban informality may neither be a total-

ly new analytical concept, nor a new urban process. As the debates on the informal sector indicate, informality has been with us for a while. Perhaps it is time, then, to come to terms with the idea that formality may be the “new” mode — that it was introduced to organize urban society only in the nineteenth century. In this regard, many features of the formal/informal dichotomy may owe their origin to unresolved issues in this historical process. Indeed, these may only become evident in different countries at different times, or at different stages of development.

In *The Great Transformation*, Karl Polanyi argued that all known economic systems up to the end of the period of feudalism were based on the three principles of “reciprocity, redistribution or householding or some combination of the three.”<sup>48</sup> These three principles were underscored by patterns of symmetry, centrality, and autarchy. Within this structure, production and distribution were motivated and disciplined informally by general rules of behavior. Economic gain was not a prominent motive in this system. However, Polanyi argued that the “new invention” of formal markets in the nineteenth century made social relations subservient to the economic system, instead of the other way around.

Around the same time, Georg Simmel has argued, the city was emerging as an environment where all human drama was conditioned by the larger social forces of capitalism. Using an agricultural migrant to illustrate the experiences of the city dweller, he noted several key characteristics of urbanism. These included the development of the “blase” attitude I referred to earlier — what he defined as “a blurring of the senses, a filtering out of all that was loud and impinging but also irrelevant to his/her own personal needs.” But successful transformation from an agricultural migrant to an urbanite also involved an ability to replace quality of work with quantity of paid labor time; to live in an impersonal environment of pure monetary exchange; to become an anonymous customer and an actor in the spectacle of mass consumption; to adopt a rational, calculating attitude fully adjusted to clock time; and to free the self from the time-bound dictates of rural society.<sup>49</sup>

In contrast to such notions of formal social interaction, informality should not be read as social disorganization or anarchy. As Loïc Wacquant has argued in relation to the American ghetto, disorganization itself can be an institutional form, a socio-spatial mechanism of ethno-racial closure and control.<sup>50</sup> Therefore, what may most be needed today in thinking about urban informality is a shift of analytical framework. Thus, the current era of liberalization and globalization should be seen as giving rise to a new form of informality — one with several key attributes. To begin, it has created a situation in which individuals may belong, at one and the same time, to both the informal and formal sector, often with more than one job in the informal sector. Next, it has allowed informal processes to spread not only among the urban poor and rural migrants, but among what were once seen as the formal lower and middle classes, including such privileged segments of the populations as state employees and professionals. Finally, informality is now manifest in

new forms and new geographies, both at the rural-urban interface and in terms of developments that may serve as a principal avenue to property ownership.

Yet while I am calling for an understanding of urban informality as a “new” way of life, I also accept its limitations, and realize that critiques once targeted at Chicago School ideas may also apply here. Principally, it would be absurd to continue to believe that spatial ecology produces social processes, because we now understand the importance of the capitalist economy in defining and sustaining urban conditions. Outdated dualities, such as country/town, rural/urban, agricultural/industrial, traditional/modern, community/association, and local/cosmopolitan — together with outmoded value systems — were what fuelled Manuel Castells’s critiques of the Chicago School in the first place.<sup>31</sup> For Castells, space has no inherent meaning, being only an expression of social forces. In other words, social relations cannot be deduced from spatial facts, and there may be only a tenuous correlation between social and spatial variables. Because there were such difficulties in uncovering any empirical criteria for the definition of the “urban,” evolutionary and dualistic ideas came to dominate. However, Castells has argued that within a capitalist system (with its concomitant political base) the structuring of space always extends beyond the boundaries of the individual city, making it a dubious unit of analysis.

In this regard, we have learned many things from the contributors to this volume. We have learned that urban informality does not simply consist of the activities of the poor, or a particular status of labor, or marginality. Rather, it is an organizing logic which emerges under a paradigm of liberalization. Within this paradigm, it may only be the slogan of urban governance that is invoked by governments involved simultaneously with liberalizing and informalizing.

We have learned that urban informality cannot be disentangled from geography, or from certain area-studies discourses. In other words, as the examination of the three regions that dominate discussion here has illustrated, we cannot talk about urban informality without considering the more targeted concerns of area studies.

We have also learned that the concept of the urban is highly differentiated. Thus, it may be as difficult to identify the urban through the presence of actual urban conditions as it is to identify the informal solely through the lens of liberalization. However, liberalization does offer a tool with which to understand shifts in the urban condition.

And we have learned that none of the phenomena of urban informality can be understood outside the context of globalization and liberalization. Structural adjustment once promised the utopia of the market. But, in reality, it has left entire regions of the world at the mercy of the most vicious of fears and hatreds, reinforcing rather than challenging authoritarian, fascist, and fundamentalist regimes.

Much discourse about the urban has been anchored in the discourse of modernity. Similarly, much of the discourse on urban informality must be

anchored in the structure of liberalization. If informality can be seen as structured through "extra-legal" systems of regulation, then so can these new or newly noticed processes of medieval modernity be seen as modes of governance.<sup>52</sup> They may even involve the "quiet encroachment of the ordinary," with the terrain of political struggle and enfranchisement being carved out by a "deinstitutionalized and marginalized subaltern in Third World cities."<sup>53</sup>

Such populism, often meted out in the idiom of religious and cultural fundamentalisms, is a far cry from the normative visions of liberal democracy that have come to be associated with the idea of urban governance. Nevertheless, such a medieval modernity is a powerful element in today's global political landscape. Despite the Internet and the spread of information technology, patterns of urban behavior and exchange at the beginning of the twenty-first century in many ways resemble those common during the Middle Ages. Such a mode of urbanism is made of segregated enclaves, and is dominated by militarization, religious ideologies, and the maintenance of political structures that govern through patronage, division, and economic oppression.

## NOTES

1. L. Wirth, "Urbanism as a Way of Life," *American Journal of Sociology* 44, no. 1 (July 1938), 1.
2. *Ibid.*, 4.
3. *Ibid.*, 10.
4. G. Simmel, "The Metropolis and Mental Life," in D. Levine, ed., *On Individuality and Social Forms* (Chicago: University of Chicago Press, 1971), 329–30.
5. Wirth, *Urbanism as a Way of Life*, 18–19.
6. A. Vasishth and D. Sloane, "Returning to Ecology: An Ecosystem Approach to Understanding the City," in M. Dear, ed., *From Chicago to L.A.* (Thousand Oaks, Calif.: Sage Publications, 2002), 350.
7. Charles Abrams, *Man's Struggle for Shelter in an Urbanizing World* (Cambridge, Mass.: MIT Press, 1964).
8. Simmel, "The Metropolis and Mental Life," 324–39.
9. As referred to in M. Gottdiener, *The New Urban Sociology* (New York: McGraw-Hill, 1994).
10. Simmel, "The Metropolis and Mental Life."
11. O. Lewis, *Five Families: Mexican Case Studies in the Culture of Poverty* (New York: Basic Books, 1959); *The Children of Sanchez: Autobiography of a Mexican Family* (New York: Random House, 1961); and *La Vida: A Puerto Rican Family in the Culture of Poverty* (New York: Random House, 1966).
12. See, for example, J. Perlman, *The Myth of Marginality: Urban Poverty and Politics in Rio de*

*Janeiro* (Berkeley: University of California Press, 1976); and M. Castells, *The City and the Grassroots: A Cross-Cultural Theory of Urban Social Movements* (Berkeley: University of California Press, 1983).

13. A. Bayat, "From 'Dangerous Classes' to 'Quiet Rebels': Politics of the Urban Subaltern in the Global South," *International Sociology* 15, no. 3 (September 2000), 539.

14. Castells, *The City and the Grassroots*.

15. Bayat, "From 'Dangerous Classes' to 'Quiet Rebels,'" 534.

16. The term "urban informality" first appeared in Spanish ("*informalidad urbana*"), specifically in Juan Pablo Pérez Sáinz's work in the late 1980s. See R. Menjivar and J.P. Pérez Sáinz, *Informalidad urbana en Centroamérica: evidencias e interrogantes* (Guatemala: FLACSO-Guatemala, Fundacion Friedrich Ebert, 1989). Pérez Sáinz used the term to describe the informal economy, with particular emphasis on forms of employment. To date, however, few English-language authors have invoked the term in their discussions of the informal sector and informal settlements. Nevertheless, in the context of this project, the term "urban informality" is used to denote social and economic processes that shape, or are manifest in, the urban built environment.

17. W.A. Lewis, "Economic Development with Unlimited Supplies of Labour," *Manchester School* 22, no. 2 (May 1954), 139–91.

18. L.G. Reynolds, "Economic Development with Surplus Labor: Some Complications," *Oxford Economic Papers* 21, no. 1 (March 1969), 91.

19. C.O.N. Moser, "Informal Sector or Petty Commodity Production: Dualism or Dependence in Urban Development?" *World Development* 6, (1978), 1051.

20. K. Hart, "Informal Income Opportunities and Urban Employment in Ghana," *Modern African Studies* 11, no. 1 (March 1973), 61–89.

21. *Ibid.*, 68.

22. D. Mazumdar, "The Urban Informal Sector," *World Development* 4, no. 8 (1976), 655–79.

23. *Employment, Incomes and Equality: A Strategy for Increasing Productive Employment in Kenya* (Geneva: International Labour Office, 1972), 5.

24. *Ibid.*, 6.

25. R. Bromley, "Introduction — The Informal Sector: Why is it Worth Discussing?" *World Development* 6 (1978), 1036.

26. A. Portes and R. Schauffler, "The Informal Economy in Latin America: Definition, Measurement, and Policies," Working Paper #5, Program in Comparative and International Development, Johns Hopkins University, December 1992.

27. C.A. Rakowski, "The Informal Sector Debate, Part 2: 1984–1993," in Rakowski, ed., *Contrapunto: The Informal Sector Debate in Latin America* (Albany: State University of New York Press, 1994), 31–50.

28. S. Annis and J.R. Franks, "The Idea, Ideology and Economics of the Informal Sector: The Case of Peru," *Grassroots Development* 13, no. 1 (1989), 10.

29. Rakowski, "The Informal Sector Debate," 38.

30. See, for example, A. Portes and S. Sassen-Koob, "Making it Underground: Comparative Materials on the Informal Sector in Western Market Economies," *American Journal of Sociology* 93 (1987), 30–61; and M. Castells and A. Portes, "World Underneath: The Origins, Dynamics, and Effects of the Informal Economy," in Portes, Castells, and L.A. Benton, eds., *The Informal Economy: Studies in Advanced and Less Developed Countries* (Baltimore: The Johns Hopkins University Press, 1989), 11–37.

31. In "The Informal Sector Debate," Rakowski analyzed these issues according to the work of several scholars. In addition to Portes and Sassen-Koob, "Making it Underground"; and Castells and Portes, "World Underneath"; this included L.R. Peattie, "Real-World Economics," *Hemisphere* (Fall 1990), 32–34.

32. Rakowski's specific reference was to Portes, Castells and Benton, eds., *The Informal Economy*, 302–3.

33. Rakowski's specific reference was to Bryan Roberts, "Introducción," in J.P. Pérez Sainz and R.M. Larín, eds., *Informalidad Urbana en Centroamérica: Entre la acumulación y la subsistencia* (San José, Costa Rica: Editorial Nueva Sociedad, 1991), 13–20.

34. Annis and Franks, "The Idea, Ideology and Economics of the Informal Sector," 10.

35. Rakowski "The Informal Sector Debate," 38.

36. *Ibid.*, 40.

37. H. De Soto, *The Other Path: The Invisible Revolution in the Third World* (New York: Harper & Row, 1989), 243.

38. R. Bromley, "A New Path to Development? The Significance and Impact of Hernando de Soto's Ideas on Underdevelopment, Production, and Reproduction," *Economic Geography* 66 (1990), 328; and J. Main, "An Interview with Hernando de Soto," and "The Informal Route to Prosperity," *International Health and Development* 1, no. 1 (1989), 10–17.

39. Rakowski, "The Informal Sector Debate," 43.

40. M. Watts, "Development II: The Privatization of Everything?" *Progress in Human Geography* 18, no. 3 (1994), 371–84.

41. N. AlSayyad, "Squatting and Culture: A Comparative Analysis of Informal Developments in Latin America and the Middle East," *Habitat International* 17, no. 1 (1993), 33–44.

42. For example, A. Bayat, *Street Politics: Poor People's Movements in Iran* (New York: Columbia University Press, 1997).

43. Bayat, "From 'Dangerous Classes' to 'Quiet Rebels,'" 548.

44. A. Richards and J. Waterbury, *A Political Economy of the Middle East: State, Class, and Economic Development* (Boulder: Westview Press, 1990).

45. See, for example, A. Roy, *City Requiem, Calcutta: Gender and the Politics of Poverty* (Minneapolis: University of Minnesota Press, 2003).

46. H. De Soto, *The Mystery of Capital* (New York: Basic Books, 2000).

47. De Soto, *The Other Path*, 47–55.

48. K. Polanyi, *The Great Transformation* (Boston: Beacon Press, 1957).

49. As cited in Gottdiener, *The New Urban Sociology*, 103–5.

50. L.J.D. Wacquant, “Three Pernicious Premises in the Study of the American Ghetto,” *International Journal of Urban and Regional Research* 21, no. 2 (1997), 341–53.

51. M. Castells, *The Urban Question: A Marxist Approach* (Cambridge, Mass.: MIT Press, 1977).

52. Medieval modernity is a concept we have been developing for some time. It is expounded by Ananya Roy in “Marketized? Feminized? Medieval? Urban Governance in an Era of Liberalization,” in J.S. Tulchin, D.H. Varat, and B.A. Ruble, eds., *Democratic Governance and Urban Sustainability* (Washington, D.C.: Woodrow Wilson International Center for Scholars, 2002), 39.

53. Bayat, “From ‘Dangerous Classes’ to ‘Quiet Rebels.’”







