URBAN INFORMALITY AND THE BUILT ENVIRONMENT

INFRASTRUCTURE, EXCHANGE AND IMAGE

EDITED BY **NEREA AMORÓS ELORDUY, NIKHILESH SINHA AND COLIN MARX**

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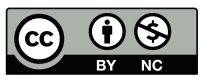

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Informalities of exchange

Fran Tonkiss

Urbanists and others concerned with patterns and practices of spatial development for some time have highlighted the primacy of the informal in the production of urban space and the provisioning of everyday urban lives. Much of this analysis centres on the material production of built (and part-built) forms – the provision of housing, infrastructure, commercial and common spaces through informal means, irregular rights and unorthodox plans. Another key strand of this analysis – indeed, the origin of the notion of the 'informal' in this broad area of study (see Hart 1973) – concerns a different sense of the materiality of urban life, focusing on informal economies of employment, income and exchange. Viewed through either lens, informality comes into view as a normal, rather than residual, condition of urban life. While the early impetus for work on informality came from development economics, and from studies of immigrant and ethnic enterprise, unregulated practices have long been recognised as endemic to high-income as well as low-income economies, and as a feature not simply of marginal but of 'advanced' economic sectors (for important earlier accounts, see Portes *et al*. 1989; Sassen 1994; 1997). My interest here is in the *ordering* of these diverse informal exchanges via behavioural norms and spatial forms – the ways in which conventions of conduct and designs on space give shape, in both a practical and a physical sense, to economic activities that fall outside official regulations or authorised planning regimes.

The insistently provisional character of urban settlement and economy sits in some tension with the city as a pre-eminent site of legality; composed, ordered and held together by a complex of planning, local government, environmental, corporate, contract, civil and criminal laws. And yet, so much that takes place in urban settings exceeds or evades the

spatial reach of law. This is evidently true in patterns of urban settlement, but is equally the case for urban economic exchange. Just as a significant global share of urban habitation is in the informal sector, so too is a major part of urban economic life – not only in that the informal economy accounts for the largest employment or enterprise share in rapidly urbanising contexts in South Asia or Sub-Saharan Africa, but in the fact that a great deal of everyday economic activity *everywhere* is improvised, unregulated or autonomous. Attempts to account for the economic shares of informal trade, labour or production are an important corrective to standard measures of GDP, employment or productivity, even if we are dealing with best guesses as to their extent (see ILO 2013). Economic anthropologists and development economists have played a critical role in making informality visible in this respect, if not always quantifiable. Feminist thinkers have argued even longer for the inclusion of unpaid domestic labour and services in the accounting of economic life.

To put it plainly, informality is what most people are doing much of the time in their economic lives. A great deal of economic activity across different urban environments is spent in practices of 'informal' exchange – preparing food, childminding, sharing rides and offering lifts, working for tips, panhandling, doing favours or giving gifts, buying rounds and chipping in, cadging loans or making them, keeping an eye out, lending a hand, passing on a message – which circulate goods, care, services, money, labour and information in low-key and off-the-record ways. Some of these practices may form the basis of individual livelihoods, but many have to do with the mundane distribution of goods and services in everyday contexts where no contract is entered, no charge is levied and no enforceable terms are agreed. What low-level examples such as these might make us notice is that only a sub-set of everyday exchanges are 'formalised' in any regulatory or institutional sense. They draw attention to the ways in which routine, repetition, social norms and conventions serve to order interactions without fixing them in legal terms. Informal but well-established practices of interaction shape behaviour, reduce uncertainty and ease exchange beyond the constraints of law or contract.

In what follows, I suggest three ways for thinking about informalities of exchange. The first concerns the ordering of informal exchange by custom and convention, familial and social norms, obligations and routines, which vary in their relation to systems of contract or law. Such informal orders of exchange substitute for or circumvent legal measures, and may be more powerful in enforcing the terms of trade than the artifice of any contract or the long arm of the law. The second bears on a further sense in which informal exchanges are

given *form*: in terms of how economic interactions are composed around material architectures, such that physical spaces become platforms for informal exchange in more or less visible ways and more or less durable settings. The third frame for considering informal exchange touches on the intersections of different informalities, and the contingent relation between innovation and illegality in this domain. The point of all three is to draw out the ways in which informal exchanges are given social and spatial form, and how they interact with more formal features in making up the economic.

Orders of exchange

The notion that informal exchange denotes economic practices that are somehow 'irregular' or 'unconventional' belies the kinds of order that bring shape and stability to these activities. It also tends to confine economic understanding to a limited set of institutions and interactions, framed by standard conceptions of state and market forms. In a more basic sense, however, the realm of the economic refers to the production and distribution of resources, goods and services to meet people's material and non-material needs and wants. While a significant part of this activity takes place in formal markets or via organised state provision, a greater share is taken by 'informal' or less formal means – through non-monetised or unregulated markets, within household economies, via self-help and mutual aid and in forms of socialised provision that go beyond the remit of the state. Such an anthropological understanding of economic action and interaction assumes that the formal economy – constituted by law, secured by contract, mediated by regular money and legible in accounting terms – represents a certain modality of economic life rather than defining its boundaries.

It follows from such an approach that economic interactions are always forms of social exchange. Some kinds of economic agency – provisioning within the family, for instance – may appear more obviously socialised than impersonal, instrumental (and, increasingly, virtual) market transactions, but this underscores the different kinds of mediation that hold economic exchanges together: from domestic ties to technical devices. Within the family context, furthermore, quite what is to be considered 'formal' and what 'informal'? Stripping away some or all of the legal, accounting and bureaucratic measures that bring certain types of order to exchange offers insights into the various other factors on which actors rely to organise, routinise and bring form to their interactions.

Relations of trust, social obligation, cultural convention, coercion and power give shape to practices of exchange in ways that render the latter fairly predictable, more or less reliable, relatively binding or effectively compulsory.

Law, contract, accounting, in this sense might be seen as particular modes for ordering exchange, but a much wider range of different elements – social norms, conventions of practice, cultural mores, interpersonal bonds, tacit rules, in-group codes or explicit threats – also work to give structure, consistency and force to socio-economic exchange, and the obligations that follow from them. These may be un-codified, unofficial and often unspoken, but this does not make such 'informal' rules of exchange unenforceable or ineffective. Indeed, it may be rather easier for individuals to act in contravention of the law (from not declaring income to non-payment of fines or leaving a restaurant without paying) than to ignore familial obligations to pass on money or provide care, or to violate group norms that require certain kinds of favours or the payment of informal taxes.

Spaces of exchange

This social architecture of informal exchange is shaped by, and in turn helps to compose, material architectures of exchange – from markets and meeting-places to street-corners and sidewalks. Informal economies are quick to colonise the blank or marginal spaces produced by more formal infrastructures of action and interaction: think of the incidental sites of exchange that appear at traffic lights and checkpoints; the cut-price (or premium) trade that takes place outside music venues or sporting arenas; the ambiguous exchanges that occur on the fringes of more regular markets, or the *ad hoc* bargaining that takes place within them; the organisation of day labour exchanges in parking-lots or lay-bys; the small-scale redistributions of cash outside subway stations or adjacent to automated bank machines. Sites of informal exchange take hold, too, in more formal architectures that have been vacated by regular capital or abandoned by the state. Isabel Gutiérrez, meanwhile, describes the 'informal infrastructures of welfare' that emerged in Athens in the wake of financial crisis and shaped an architecture of social care in utilising vacant property and activating open public spaces.

Kim Dovey has written suggestively of the spatial and physical forms taken by informal housing in different urban contexts (see, *inter alia*, Dovey and King 2011, as well as Dovey's essay in this volume). The planning and

development of the formal city produces the possibilities, if not exactly the blueprint, for informal gestures of insertion, accretion and extension, always with different levels of visibility, permeability and infiltration. Dovey's primary concern is with morphologies of informal settlement, but such an argument also holds for infrastructures of informal exchange. The types of in-fill, adaptation and occupation described by Gutiérrez work within and around the architecture of the formal city, prising open spaces of commerce, care, shelter, information exchange and social support.

Such spatial continuities between the formal and the informalising city are underlined by Isabel Gutiérrez as she traces the relations between these solidary welfare initiatives in Athens and the 'Movement of the Squares' that saw protests in public spaces in a number of European cities against an elite politics of austerity in the wake of the post-2008 financial crisis. Such a case speaks not only to the spatiality but also to the temporality of the informal. Claims to public space and incursions into private space in the 2011 protests were extended into many local practices of temporary occupation, improvised use and tactical re-use in creating sites for economic and social provision. Just as practices of informal urban settlement range from the highly provisional to the stubbornly permanent, so do spatial infrastructures of informal exchange display a similar temporal contingency – from the quick-footed commerce of rugs spread on pavements to the regularity of long-established market-places and the embedded physicality of workplaces and manufactories.

Intersections of informality

The spatial persistence of sites of informal exchange provides a physical infrastructure for very different degrees of prosperity and precarity, for edgy entrepreneurialism and for vulnerable economic lives, for solidary exchanges and often sketchy economic practices. The intersections of different informalities, as well as interactions between the formal and informal, complicate not only the critical analysis of informal economies but the politics of informality. This gets at some of the many contradictions that beset informality as a concept and as a field of economic practice: the conditions that allow for innovation and enterprise also support exploitation and exaction of various kinds and degrees (Tonkiss 2012).

The interplay between informality and illegality – or between what Hart (1973) described in his seminal work on urban employment in Accra as 'legitimate' and 'illegitimate' informal economic opportunities – has been an enduring theme in studies of the informal sector in poor-world

contexts. These themes arise in critical ways, however, in an emerging sphere of exchange and employment in high-income economies and advanced service sectors. Exchanges within such marketplaces are often stylised as being peer-to-peer, rather than between buyer and seller, and have a more than passing resemblance to the kinds of informal exchange I have argued characterise an extensive share of everyday economic activities. At the corporate end of such 'collaborative' forms of exchange, though, highly commercial (if not always profitable) enterprises such as Airbnb and Uber have a variable relation to law and regulation – and a fairly tenuous relationship with any commonly understood sense of *sharing*. While the exchange of services and of payment may be regulated, practices around employment, safety, insurance, licensing and taxation tend to be looser. The selective formality of these exchange platforms brings once more into focus the continuities and contradictions between informal and formal economic activities, as well as the place of informality in larger economies of accumulation. A platform such as Airbnb mobilises a kind of petty rentier capitalism in economies that are increasingly geared to the extraction of rents from property; while the company itself generates profit, and has raised substantial capital, on the basis of markets in property that it does not own.

There is nothing new, of course, in suggesting that informality has its uses for conventional kinds of enterprise and extended processes of accumulation. These sorts of high-end platform piracy, moreover, point up the relationship between informality and urban innovation – exploiting the gap, as Saskia Sassen (1994) once put it, 'between new developments and old regulations'. As various jurisdictions race to catch up with players such as Airbnb and Uber, they seek to stabilise categories that have allowed the latter to generate value in fudging distinctions between the formal and informal: insisting on the difference between a home and an unlicensed hotel; between a ride-share and a taxi-service; between an own-account worker and a sub-minimum-wage labourer. The intersections between formality and informality – or, it might better be put, between the more and less formal – are particularly telling sites of urban invention, but legal authorities are not always willing to handle too much innovation.

The association between economic informality and urban legality should not obscure, however, the ordinary character of much informal economic exchange. Working or trading off the books, labouring cash in hand, dealing under-the-counter or off the back of a truck – informal exchanges are imagined as largely unseen, usually un-written and often illicit if not actually illegal. The spectre of illegality dogs the

understanding of informal economies, such that the latter comes to be seen as that which takes place outside or in contravention of the law, as the underside of legal economic activity: the black or grey economy of sharp deals, sweated labour, stolen goods and extorted rents. Or, alternatively, the informal economy is seen more benignly as somehow 'pre-legal' – as the self-help practices of the urban poor, existing not simply outside of but prior to legal incorporation, market regulation and other rationalities of economic development. There is something in each of these representations, of course; both black and subsistence economies take major shares of informal economic exchange in different legal and development contexts. But these versions of informality as the economic practices of the criminal, the contrarian or the poor belie the continuities between formal and informal economies, the extent of informality in rich-world and highly regulated economies, and the diverse modes through which informality is regularised even if not always legalised. The essays gathered here are concerned with the resourcefulness of urban informalities, with informal exchange as a spatial practice, and with material geographies of informality in urban environments. Working in quite different contexts – in emergent migrant economies, in urban landscapes of austerity, and in over-heated urban property markets – these contributions point us to the relational norms and spatial forms that underpin practices of informal exchange.

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