MERCADOS, CHOLAS, Y FERIAS: CHALLENGING THE DISCOURSE OF INFORMALITY IN THE BOLIVIAN ANDES

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By

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MERICADO, CHOLAS, Y FERIAS: CHALLENGING THE DISCOURSE OF INFORMALITY IN THE BOLIVIAN ANDES

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ABSTRACT
The informal economy is a widely debated issue in Latin America due to its high presence in the region. While transnational policy making institutions (TPMIs), like the International Labor Organization (ILO), expected a reduction in this presence as a result of the economic boom of the 2000s, recent data has shown that there has been little to no improvement. This evidence has opened up a series of challenges to the way in which informality is understood in the region. Using the case of street markets in Bolivia, one of the countries with highest percentage of informality in Latin America, the present paper examines how the reproduction of informal practices in Bolivia challenge the informality discourse set forward by policy influencing institutions like the ILO. Based on evidence from fieldwork conducted over a three-month period in the cities of La Paz and El Alto, this study finds that the understanding set by TPMIs is incomplete at best. The findings show that historical processes, racial practices and notions, and the voices of informal vendors themselves are integral to understanding how informality works and operates. Moreover, it shows the limitations of the formal/informal discourse adding to recent literature developments on the need to re-conceptualize the informal economy as it’s understood today.
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INTRODUCTION

In a CNN show focused on business innovations in Bolivia, journalist Gabriela Frias stated: “It is a secret to nobody that in Latin America there is a cancer called informality.” (CNN, 2017) In the segment Frias uses this statement to introduce, Red Nueva Empresa (RNE), an organization whose main objective is to assist the growth and formalization of small businesses. Consequently, the viewer is presented a narrative in which informality is the disease and initiatives like RNE are the cure. Frias’ cancer metaphor can be perceived as an exaggeration used to dramatize the situation and give RNE and the show more relevance. Nonetheless, a closer look to the way in which informality is understood in Latin America, and Bolivia, will show that Frias’ narrative is not unique. In fact, Frias’ metaphor is part of a much larger narrative around informality that I aim to explore in this work.

To understand the implications of Frias’ narrative it is important to take a step back and look at the concept of informality. In its simplest form, informality is an economic phenomenon that has been studied as such since the 1970’s when the term was first coined by anthropologist Keith Hart (1973). Since the coinage of the term, studies on informality have mostly focused on informality as an economic phenomenon and have not necessarily looked at the discourse around it. Scholars have long debated the conceptualization of informality, its characteristics, composition, causalities, etc. While these debates have resulted in different ways to understand informality, they have also produced common ground knowledge that today is widely accepted in academia and transnational policy making institutions (TPMIs). The common ground knowledge about informality and the ideas it continues to reproduce is what I refer to as the informality discourse.
Discourse, in a Foucauldian understanding, is the production of knowledge and meaning through language. As such, through the construction of concepts, discourse allows, and limits, the ability of subjects to understand themselves and the world around them. Discourse constructs a conceptual map in which subjects position themselves and others. Thus, discourse defines their sense of being, their actions, and consequently their sense of reality. Due to this, Foucauldian discourse analysis is very much concerned with power and how it operates through discourse. At a macro level, discourses that are deeply entrenched in society and that legitimate existing power relations and social structures are called dominant discourses.

Frias’ narrative, and therefore the discourse it represents, has the characteristics of a dominant discourse because it echoes widely accepted notions of informality and it reinforces established power-structures. The wording of Frias opening statement, “it’s a secret to nobody”, immediately informs the viewer that the following phrase, the cancer metaphor, is an accepted truth. Moreover, Frias’ status, she is a well-known journalist with an expertise in economics, and her platform, an international media outlet that has wide reach in Latin America, further legitimize the message she conveys. The informality discourse presented, informality as a deathly disease for the economy, however, does not belong to Frias’ or CNN for that matter.

The informality discourse is part of a much larger discourse on development. In his work, *Encountering Development* (1994), anthropologist Arturo Escobar argues that development policies post-World War II established a world order in which North America and Europe became the exemplary models of the world and thus positioning western nations high above in the hierarchy order. Within this analysis, I argue that informality discourse legitimates this discourse by framing informality as the disease and formality as the cure. Thus reinforcing, power structures
where western nations are seen as the ultimate societies and non-western nations are perceived as incomplete societies at best that have a long way before they can catch up to their western counterparts.

Having lived in Bolivia, the most informal economy of Latin America (Medina and Schneider, 2018), for the first 18 years of my life, the notion of a world order in which Bolivia was at the losing end was a discourse I was fed constantly. Teachers at school, column writers, and even friends and family all seemed to agree with Frias, Bolivia was underdeveloped, and informality was one of the main culprits. Year after year, our high levels of informality were brought up as a reminder to stop incentivizing informality. While I understood and echoed the reasoning behind this need to stop informality, I also couldn’t stop being an active and even enthusiastic participant of informality, particularly of street markets. Making friends with the informal vendors, knowing where to get what, and learning the street names of all the city markets gave me a sense of belonging and pride among peers. So, while I engaged in narratives like that of Frias’ I also actively ignored them when I needed to.

This double standard towards informality was mostly unnoticeable to me while I lived in Bolivia. This however, was no longer the case once I moved to the United States. Moving to an extremely formalized economy such as that of the United States, forced me to rethink informality. Unlike in Bolivia, where I could readily complain about the traffic caused by street vendors and immediately proceed to talk about the wonderful findings, I bought at the largest street market of the country, in the United States I found this to be looked down upon. Not only because of the contradiction itself, but for the mere fact that to Americans the informality discourse, or the
formality discourse for that matter, wasn’t just a discourse it was also a life style they actually adhered to.

Confronted with these conflicting realities is that I began laying the foundation of this work. Upon further research on the topic and many conversations with academics and peers I was finally able to differentiate between the informality discourse and the economic activity itself. This differentiation was made further explicit once I did fieldwork in Bolivia and started to notice the shortcomings of the informality discourse. The discourse did not fit the economic activity. Using the case of informal mercados in Bolivia, this work aims to question the validity of the informality discourse by deconstructing and challenging its assumptions. Ultimately, this work is also an attempt to defend informality, the economic activity, from inaccurate narratives like that of Frias that further continue to reproduce the idea that Bolivia is a terminal cancer patient with no foreseeable future. All the contrary, when seen for what it is and not for what others want it to be, one may find that informality is in fact a much bigger contributor to Bolivian society than it is given credit for.

*What do I mean by informality?*

Since discourse analysis places a lot of importance in concepts and the meanings that are assigned to them, I find it necessary to take a moment to explain what exactly do I informality. As I stated earlier, this work looks at informality in two ways, as a discourse and as an economic phenomenon. From a discourse analysis perspective, it is useful to speak about informality in general terms since most of the literature doesn’t not necessarily focus on a subset or sector of it. Most of the material I analyze refers to informality in general thus when doing discourse analysis, it is useful to think
of informality as a whole. The same approach however cannot be used when doing fieldwork that involves qualitative methods. Simply put, the informal economy is so large and made up by so many subsectors, that it would be unrealistic to do an in-depth fieldwork of all its sectors in the short time-frame I had in Bolivia. Consequently, I saw myself in the position to narrow down my research to informal mercados.

When I first started this work and decided to narrow my research to informal markets, I naively thought that this was self-explanatory. It wasn’t after people started asking me what exactly I meant by informal markets that I realized that the word market does not hold the same meaning for native English speakers as it does for me, a native Spanish speaker. While the direct translation for the word mercado to English is market, conceptually this translation doesn’t apply. In English, the word market, on its own, has been mostly defined by the field of economics and is an abstract concept generally used to refer to the guiding principles of the economy, namely, supply, demand, and price (Sachs 2010). Contrastingly in Spanish, at least that of Bolivia, the word market is mostly used to refer to the physical spaces where informal commerce activities take place. Therefore, it should be assumed that when I use the word mercado I am referring to the Bolivian meaning of market, which includes street markets, market buildings, and market spaces.
Having clarified which specific subsector of informality I focused on during my fieldwork the next thing I wish to unwrap is who I counted as being part of these informal markets. What was the criteria I followed when deciding who is informal and who is not? The predominant understandings among transnational policy making institutions (TPMIs) to what makes informality “informal” are the legal approach and the productivity approach. The legal approach focuses on employment characteristics, whereby state recognition is fundamental as it is the main regulator and enforcer of employment legislation. On the other hand, the productivity approach focuses on the characteristics of the production units, where lower productivity and lesser uses of technology equate higher degrees of informality and vice versa (ILO, 2013).
I found the later approach to be the more useful, as the Bolivian state does not have a clear separation on what it recognizes as formal or informal and enacts some employment legislation regardless of status (i.e. contributions to social security can be made irrespective of job status). Nonetheless, I do not necessarily adhere to the notion that informal activities have low productivity by default, but I do recognize that many informal units are small and do not have an extensive use of digital technology. Consequently, in this work, whenever I refer to informal markets it can be assumed that I am particularly talking about commerce activity that takes place in physical spaces whose participants work in smaller units and don’t use technology extensively.

Location and methodology

I conducted the fieldwork for this work during a period of three months between May and August of 2016. Most of my research took place in the cities of La Paz and El Alto. I chose these cities for two reasons. The first reason was personal convenience, having been raised in La Paz I was already familiar with the environment and had easy access to both cities. Accordingly, I was also able to draw from my past experiences and attempt to better contextualize the settings where my research took place. The second reason has to do with the history of La Paz and El Alto. Despite their shared history and location, these two cities diverge significantly when it comes to their outlook of informality. La Paz being the city that aspires to and enforces formality the most and El Alto being the city who breaks away from this. Thus, providing a nice contrast that provided provocative insights regarding the discourse of informality and how it is dealt with in both locations.

Beyond La Paz and El Alto, during my three-month stay I also visited nearby cities, national, Oruro, and international, Iquique in the northern part of Chile, and Desaguadero at the
border of Peru and Bolivia. I visited these cities because of their strong connection to market activity in both La Paz and El Alto. Being able to step back from the geographical focus of my research allowed me to understand informality in La Paz and El Alto on a different dimension. Although I did visit other cities outside those of the focus of research it is important to note that I only focused on connections located in the Andes. Commerce in La Paz and El Alto may be deeply interconnected to other Bolivian cities in the lowlands, but due to my timeframe and resources I would have been unable to properly research them. Hence the conclusions, observations, and analysis of this work mostly pertains to the Andes region of Bolivia and is by no means meant to be extrapolated to the rest of the country.

Having explained the place in which my work took place I will now proceed to expand on the methodology I utilized. The methodological approach I used in this research topic is multidisciplinary. The work I hereby present is divided in two parts. In the first part, I mostly limit myself to discursive analysis, following the work done by Escobar and using a Foucauldian understanding of discourse, the object of my analysis were the academic papers and books produced mostly by TPMIs. Alternatively, in the second part, in addition to discursive analysis, I also use ethnographic analysis. For this part my objects of analysis include; Bolivian newspaper editorials and reports, and interviews with Bolivian government officials for discursive analysis; participant observation in markets and interviews with informal actors in Bolivia for ethnographic analysis.

I heavily relayed on market observations, between La Paz, El Alto, and the three additional cities I visited and observed a total of 13 mercados populares, mercados de calle y ferias (Table 1). Another source of information was interviews with market stakeholders, i.e. vendors, municipal
security, and customers. While in some cases I was able to have long and detailed conversations, in most cases the bustling activity of the market would make it hard to go in depth as I would have originally wanted. Moreover, due to the conflictive nature between the state and informal actors, market vendors are often reluctant to share information about their practices.

<table>
<thead>
<tr>
<th>Mercado Name</th>
<th>Type of Mercado</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garcilazo de la Vega</td>
<td>Mercado de Calle</td>
<td>La Paz, Bolivia</td>
</tr>
<tr>
<td>Uyustus</td>
<td>Mercado de Calle</td>
<td>La Paz, Bolivia</td>
</tr>
<tr>
<td>Mercado Camacho</td>
<td>Mercado Popular</td>
<td>La Paz, Bolivia</td>
</tr>
<tr>
<td>Mercado Lanza</td>
<td>Mercado Popular</td>
<td>La Paz, Bolivia</td>
</tr>
<tr>
<td>Mercado Miraflres</td>
<td>Mercado Popular</td>
<td>La Paz, Bolivia</td>
</tr>
<tr>
<td>Feria de Achumani</td>
<td>Feria</td>
<td>La Paz, Bolivia</td>
</tr>
<tr>
<td>Tiawanaku</td>
<td>Mercado de Calle</td>
<td>El Alto, Bolivia</td>
</tr>
<tr>
<td>Mercado Santa Rosa</td>
<td>Mercado Popular</td>
<td>El Alto, Bolivia</td>
</tr>
<tr>
<td>Raul Salmon</td>
<td>Mercado de Calle</td>
<td>El Alto, Bolivia</td>
</tr>
<tr>
<td>Feria 16 de Julio</td>
<td>Feria</td>
<td>El Alto, Bolivia</td>
</tr>
<tr>
<td>Kantuta</td>
<td>Feria</td>
<td>Oruro, Bolivia</td>
</tr>
<tr>
<td>Yung</td>
<td>Feria</td>
<td>Oruro, Bolivia</td>
</tr>
<tr>
<td>Desaguadero</td>
<td>Feria</td>
<td>Desaguadero, Bolivia</td>
</tr>
<tr>
<td>Puerto de Iquique Zofri</td>
<td>Port</td>
<td>Iquique, Chile</td>
</tr>
</tbody>
</table>

Figure. 2 List of mercados visited.
Despite these limitations however, I believe I was successful in obtaining the desired information due to who I am as a researcher and the spaces I was allowed to enter. Knowing and understanding the background of the researcher is something rarely considered in some academic fields, i.e. economics, while in sociology and anthropology is a topic that has been heavily debated. In the Andes in particular there has been debate over the role of the anthropologist and his/her intentions (Burman, 2018). I find that the role of the researcher as omnipresent to be outdated and adhere to the idea that knowing that researchers are biased by their own life experiences, thus it is necessary to position the researcher in order to understand his/her biases. In my case, I find that my identity played a big role in the way this work was conducted, and I find it necessary to write a few words about myself.

As I mentioned earlier, I was born and raised in La Paz, Bolivia, up until the age of 18 when I left to study abroad in the United States. Like most Bolivians who study abroad, I come from a privileged background that gave me economic access to a bilingual education from a young age. Hence, while most of my life has taken place in Bolivia, my experiences are not necessarily relatable to most Bolivians, as bilingual and foreign education are rare and difficult to access due to its prohibitive prices. Although education wise, I might not have the average Bolivian experience, one aspect in which I do partake in this is in my physical appearance. I am dark-skinned and have facial features that are very common to the Andes people imagery. While to the foreign eye I would categorically be someone with indigenous traits, that label, indigenous, is loaded with many meanings that make its usage complex. Lastly, my identity as a woman also plays a big role, while my economic has shielded me from some disadvantages that my gender undergoes in Bolivia this has not translated to complete immunity.
I highlight these characteristics of myself, because where I have lived, the education I accessed, and the way I look have had significant implications on the way I was able to connect with my research subjects. In the markets, being dark-skinned and female meant for many of those I interviewed that I was not perceived as threat. Similarly, it also took away the sense of a foreign gaze that is simply there to find heading meanings behind everything, thus providing a sense of comfort and normalcy. On the other hand, being able to codeswitch into a researcher from abroad also gave me more authority in other spaces such as interviews with government officials. These dualities that I have, being dark-skinned but not indigenous, and most recently, being local, but coming from abroad, allowed to play with various identities and inhabit spaces which otherwise would be unattainable.

Structure

This work is structured in seven chapters and is divided in two parts. The first part is composed by two chapters and it is focused on the informality discourse, how it came to be, its main exponents, and its deconstruction. Chapter 1 presents an overview of the four dominant schools of thought of the informality discourse; the dualists, the structuralists, the legalists, and the voluntarists. By reviewing these schools and their development throughout time I aim to contextualize the historical and academic environment in which the informality discourse came to be. Having introduced the reader to main exponents of the informality discourse, chapter 2 extends the analysis of the previous chapter and deconstructs the shared assumptions that the schools of thought are built upon. I specifically focus on three assumptions; the desirability of informality, the economic rationality of informal actors, and the belief that informality is a detriment for development.
The second part of this work is focused on the fieldwork I did in the Andean mercados of Bolivia and how the insights it provided challenge the discourse exposed in chapter 1 and 2. For this purpose, I begin this second part by contextualizing the reader into the reality of Bolivian informal markets. In chapter 3, I provide a short history overview of the cities of La Paz and El Alto and their relation to informality as well as discussing terminology particular to Bolivian market culture. Moving forward, chapters 4, 5, and 6 attempt to answer the questions stablished in chapter 2. Chapter 4, explores the conflict between the state, embodied by the municipality, and informal market actors. It argues that this ongoing and constant conflict is the result of the rejection that informal actors have towards formality, thus debunking the universal desirability of formality. In chapter 5, I challenge the assumption of economic rationality by looking into the experiences of market women through the lens of race and gender. I do this to demonstrate how their identities, both as women and non-mestizas, may at times be of higher importance than economic gain. Chapter 6 calls into question the notion that informality is a detriment for development by exposing the contributions of informal markets to urban, economic, cultural, and social development.

The concluding chapter questions the validity and existence of the informality discourse within the Bolivian context. Using the example of national identity formation in the last decade, this chapter argues that informal actors do not need to follow stablished practices of the informality discourse to thrive. Moreover, it demonstrates how informal actors have resisted the role imposed by said discourse and have even been capable to transcend their environments and transform their society even at a national level. By showing this, I aim to call into question the use of the informality discourse altogether and point to new ways of understanding the economic phenomenon development calls informality. To achieve this, I finish with a quick introduction to
authors that have forgone the discourse of informality and have opted for new and creative ways to conceptualize this economic phenomenon. Thereby breaking the hegemonic model of development and showing that other forms of analysis are possible.

PART I: UNDERSTANDING THE INFORMALITY DISCOURSE

CHAPTER 1: The schools of thought on informality

As stated earlier, in this first part I seek to expose and deconstruct the informality discourse. How did it start? And how did it evolve throughout time? Who were the key players, in regard to academics and institutions, that took it to where it is now? To answer these questions, this chapter focuses on the four schools of thought that gave way to it.

The development of the informal economy as a concept began primarily as a concern over employment. Back in the 1950s and 1960s, due to the concern of high unemployment rates, there was a widely accepted assumption that with the right set of economic policies and use of resources, low-income traditional economies would eventually transform into more dynamic and modern economies (Chen, 2012). Economists like W. Arthur Lewis (1954) predicted that, in the long run, global economic development would in fact create enough modern industries and jobs to successfully transition developing countries from traditional economies to modern ones. Under this view, informal economies, that were defining characteristics of low-income countries, would eventually disappear to give place to formal employment driven by industrial growth.

Looking at the successful cases of economic overhaul in Europe and Japan after World War II, Lewis’ work gained even more relevance and the hopes for a modern world increased.
Nonetheless, this hopeful outlook would never arrive. Even as developed countries’ economies continued to expand in the next decades, widespread unemployment and underemployment in developing nations seemed to indicate that the global economic expansion would not translate to an expansion for developing countries. Concerned by the growing trend of unemployment of the time, the International Labour Organization (ILO) set up multidisciplinary missions to developing countries to understand the growing phenomenon of unemployment. The work that resulted from the initial mission coupled with previous work done by British anthropologist Keith Hart (1973) resulted in what we now know as the informality discourse.

Since its inception, there have been many takes on the causes and characteristics of informality. While the ILO’s original understanding remains an important referent, different events and case studies, like the end of communism in Eastern Europe or the industrialization crisis, gave way to new understanding of informality. Overall 4 dominant schools of thought have prevailed over time, dualists, structuralists, legalists, and voluntarists. The following sections are meant to provide an overview of the schools.

_Dualists_

The dualist school was the first to officially define informality academically and institutionally. This school was mostly influenced by Keith Hart, the anthropologist who first coined the term, and the International Labour Organization (ILO), who was the first transnational policy making institution to institutionalize the term. The dualists’ concept of informality was originally based upon Hart’s paper on Ghana’s labor opportunities among rural migrants (1973). In this paper, Hart’s most impactful observation was without question the differentiation he made between
formal and informal sectors. Hart differentiated labor among migrants into two categories, wage-earning employment and self-employment, which he eventually described as the formal and informal sectors respectively. Wage earning employment, the formal sector, were the jobs that received wages from public or private institutions and that provided a stable income overtime and other benefits such as access to pensions and unemployment benefits. On the other hand, self-employment, the informal sector, were primarily characterized by its lack of a stable income, extra benefits like pensions, and engagement in low productivity activities such as petty trading, gardening, launderers, etc.

Beyond this differentiation, Hart also observed many important features of informality. For example, Hart pointed out that the ease of entry that the informal sector offered was one of the most attractive features for newcomers. The little to no oversight from local authorities made it easy for migrants to start small scale operation businesses from their homes or in the streets. Moreover, Hart also noted that in the informal sector, migrants were able to use the skills acquired back at their rural homes which the formal sector either did not recognize or did not need. These observations were key for the development of the dualist school and the later development of an official definition of informality set forward by the ILO.

Based on this work the dualist school established the informal sector as an isolated economic phenomenon that had few, if any, links to the main economy (ILO, 1972; Sethuraman, 1976; Tokman 1978). Furthermore, responding to the thinking of the time that assumed that global economic development would eventually pull all economies from a traditional to a modern economy, dualists adhered to the theory that the cause of informality was an imbalance in the demand and supply of labor markets. Thus, framing informality as a transitory economic
phenomenon that would eventually be absorbed by modernization. As the market attempted to fix the labor imbalances, dualists saw informality as an income provider for the poor and a safety net in times of crisis due to its ease of entry. In this sense, they linked informality to poverty because they assumed the informal sector was a last resource for those struggling to survive economically.

During the 80’s, the ILO was going through a challenging period institutionally as it tried to figure out its role in mediating labor practices across the globe. Because of the cold war, many of the ILO’s stances on labor rights were perceived as siding with communist beliefs and had created detrimental frictions with major donors like the United States (Standing, 2008). Pressured to maintain good relationships with its major donors, the ILO saw its role as a data collector as less contentious and turned to the study of informal sectors. It is in this context that the ILO first launched a definition of informality. Thus, not only institutionalizing informality as field study but also giving way for it to become a dominant discourse.

The ILO first defined informality as a sector consisting of low productivity economic activities whose main objective was to provide an income to its participants and whose activities happened outside the realms of regulation (ILO, 1987). This definition was significant for two reasons, (1) it attempted to set a standard for data collection in government and institutions across the globe and (2) it recognized low productivity and lack of oversight and regulation as main characteristics when identifying informality. These two characteristics were particularly important later on as they were both developed as two different approaches with which to measure recognize and measure informality. The first, focused on productivity would go on to become the productivity approach. The second, focused on labor oversight and regulation would become the legal approach.
The definition put forward by the ILO established characteristics and concepts that would be used throughout the other schools when developing new understandings. Dualists’ take on informality was later challenged on a number of ways. Nonetheless, its major tenants; differentiation of formal/informal, view of informal economic activity as small and/or marginal, and view of informality as an outcome of poverty, became key elements in defining the informality discourse until the present day.

*Structuralists*

The structuralist framework was first introduced by Manuel Castells and Alejandro Portes (1989) with their work on the informal sector in Latin America during the 50s-80s. In their work, Portes and Castells did a comparative analysis of 7 countries and 3 capital cities looking at trends of informal employment overtime. Their observations pointed out that even though during the 50s to the 80s Latin America had undergone an important expansion of its industrial sector, informal employment had remained much or less the same. This, they contended, was evidence that economic expansion did not necessarily mean more formal jobs. Instead they argued that as industrial firms grew, they tried to increase their competitiveness and were more likely to interact with informal workers as their labor was cheaper.

This was the first major departure from the dualist framework, as it not viewed informality as an isolated sector from formality but saw both sectors as intrinsically linked. This school focused on the structure of formal-informal relationships (hence its name) and identified capitalism as the key variable influencing the links between the formal and informal sector. Structuralists had a critical approach towards capitalism and were concerned with the unequal relationships it
produced in its attempt to reduce input and labor costs. This school argued that because formal capitalist firms must remain competitive to stay afloat, they would become strongly reliant on the cheap labor that the informal sector offered. Hence it was in their interest to have casual or sub-contracted workers whose labor rights they did not need to abide by.

In this sense, structuralists followed a legal approach towards informality as they viewed the lack of government oversight of large firms as an important enabler for informality. For structuralists lack of proper government oversight coupled with firms need to increase competitiveness were the main drivers of informality. Consequently, they considered that increasing regulation from the government in commercial and employment relations to address the unequal relationship between large firms and subordinated economic units as the best way to address informality. For structuralists, informal actors were perceived as the poor working classes who due to lack of proper resources were easily taken advantage of. Like dualists, structuralists had a more passive view of informal actors, as they saw them as victims of a predatory capitalist system over which they had little to no influence.

Among the four schools of thought this is perhaps the one that got the least attention by policy circles at the time of its development. Due to environment of the cold war, structuralists critical approach of capitalism was not well received among policy circles. Especially among those who were highly dependent on funding from the United States and its allies, like the ILO. Although the structuralist school made important contributions to the field, its recognition of capitalism as a major variable of informal work was not carried on by following schools. Nonetheless, the recognition of the link between the formal and the informal economy was an important contribution to the understanding of informality and how it is studied today.
Legalists

Introduced by Peruvian economist Hernando De Soto, the legalist school became one of the most lauded approaches to understand informality (Gravois, 2005). De Soto’s work gained prominence with his book *The Other Path: The Economic Answer to Terrorism* (c1989) in which he links the informal economy to the violent conflict ravaging Peru in the 1980’s. At the time of the book’s writing, Peru was undergoing severe national conflict due to guerrilla warfare between the state and the communist militant group known as the shining path. The group quickly gained control over large areas of Peru and became increasingly violent. De Soto was deeply influenced by the growing power of the shining path and with his organization the Institute for Liberty and Democracy (ILD) he looked into the reasons that made people side with the shining path despite its violence and illegality.

De Soto research informed him that difficulty to access basic property rights forced economically vulnerable people to engage in the informal economy. Unable to access the benefits of the formal economy, De Soto argued, poor people grew resentful towards the exclusive market economy and became fertile ground for new ideologies such as those promoted by the shining path. According to De Soto’s work, Peru’s market economy of the 80’s was exclusive for two main reasons: complicated and long registration processes and lack of legal rights to access formal property. Therefore, together with the ILD, they proposed as a solution, a reform of the legal system in order to create a more inclusive market economy where people would be able to easily join the formal economy.
One of the defining characteristics of De Soto’s work was the heavy field work that he and his team implemented. His direct contact with people, allowed him to have a more complex understanding of informal workers. Unlike previous schools, who saw informal actors as passive actors who were either victims of rapid industrialization or greedy capitalist firms, De Soto viewed informal actors as active actors who despite lack of formal recognition were extremely entrepreneurial. For De Soto, informal actors were in fact as prone to capitalism as any entrepreneur who operated under the formal system. Consequently, De Soto claimed that if informal actors were given the opportunity to have land titles and register their businesses, they would be able to access credit, pay taxes, and grow the overall economy.

De Soto’s framework to understand informality built upon former schools but had important departures. Like dualists, De Soto also ascribed to the informality discourse and saw informality as something to be overcome, but unlike them, and like structuralists, De Soto did recognize the linkage between the formal and informal sector. Nonetheless, under his framework he did not see capitalism as the problem, but rather as the solution behind informality. De Soto’s type of informality followed a productivity approach understating of informality, although it does not necessarily see informal actors as low productivity economic units it does view informality as a detriment to productivity overall. In this sense, De Soto’s work departs from the structuralists’ legal approach as he is not necessarily concerned with labor rights per se. In fact, his strong support for deregulation could even be read as detriment for labor rights as De Soto viewed them as yet another form of making the market rigid and not of easy entry.

De Soto’s framework found a warm reception among the policy circles of the time and would go on to influence policy makers around the globe (Nordlinger, 2014). Moreover, the
neoliberal wave of the time only helped further De Soto’s argument for increasing deregulation of markets. Alongside the ILD, De Soto was able to successfully promote for property rights titles for many vulnerable groups in Peru and promoted microcredit access to many informal actors as a way to promote their transition to the formal market. Among the people that were benefited by these measures, the ILD was able to show a decrease in support for the shining path. These results made De Soto’s ideas highly popular among TPMIs and he quickly became one of the leading experts in informality.

While De Soto may have been successful in decreasing the likeability of support towards the shining path among rural and low-income Peruvians, its success in reducing informality was more questionable. Informality is still highly prevalent in Peru despite efforts to make the formal market more accessible. Critics have challenged his understanding of informal actors, however, many of his ideas and insights are still highly prevalent in TPMI’s. The notion of informal actors as entrepreneurs has shifted the conversation on how informal actors should be understood. Moreover, his research methods, direct interaction with informal actors, have also opened new possibilities as to how informality should be explored. De Soto and the ILD’s work may have been questioned since they first started their work on informality, but their findings are still relevant today.

**Voluntarists**

Voluntarists were the latest to develop a school of thought. They mainly respond to legalists’ insights and shortcomings. Despite the popularity of the legalist framework, as the new millennium broke through there were many concerns that saw the need for a new approach. The heavy
investment, land titling and micro-credit lines, put forward to reduce informality didn’t bear the promised fruits. Not only did informality persisted, but many informal actors were unable to pay back the debts they had acquired to transition to formality. As such, banks and development agencies worried about the investments that had been made. Additionally, large corporations became increasingly wary of the competitiveness of informal actors and claimed that they were actively destabilizing their economic models. The concerns were pressing and the need for a new perspective came forward.

As a response to the growing concern of investment return and unfair competitiveness, the World Bank issued papers that took a different approach to informality, which resulted in what we now know as the voluntarist school. This school was mostly influenced by economist William Maloney’s work on the Latin American informal economy (2004). In his work, Maloney focused on the self-employed, specially focusing on male entrepreneurs and their informal enterprises. Using survey data and performing a comparative analysis across nations Maloney concluded that incentives to be informal were high enough to keep people in informality or even transform formal actors into informal ones. He argued that given that economic actors voluntarily entered informality any assistance to this sector, such as easier land titling or micro credit, acted as incentives to stay informal rather than as catalysts for formality.

The voluntarist school is in a way a response to the legalist school, but it does not completely differ from it. Like legalists, voluntarists also recognize the entrepreneurial spirit of informal actors and view them as active decision makers. In fact, this school is the one that gives the most agency to informal actors. For voluntarist, informal entrepreneurs choose to operate informally to avoid taxation, regulations, and other costs related to operating formally.
Nonetheless, unlike De Soto who identified regulation as the main obstacle for formalization, voluntarists argue that it is the informal actors themselves who pose the main obstacle. Furthermore, while De Soto claims that the market economy excludes of informal actors, voluntarists argue that it is informality that poses the greatest competition to formal enterprises. Being able to avoid costs associated to formality, informal actors are able to lower their costs and offer lower prices creating unfair competition since they are not following the same rules as their formal counterparts.

Given these premises, voluntarists policy response is one of greater regulation enforcement. Government should bring informal enterprises under the formal frame of regulation so fair competition can take place and tax collection can be increased. Like its predecessor, voluntarists approach to informality is more leaned towards productivity. Voluntarists are not primarily focused with labor rights but rather the outcomes of informality on productivity. As such voluntarists were also promoted by policy circles and developing agencies. While there have been mixed results to its approach this school is still embraced by TPMIs.

**Conclusions**

These four schools of thought have shaped the understanding of informality not only in how it is studied but also on how solutions have been approached, thus creating its discourse. Each has had important contributions that built upon the work of their predecessors. These developments have given policy circles and academia important insights about informality. The dualist school set the playground by differentiating informal from formal, while the structuralists pointed the relationship between these two. On the other hand, legalists pointed out the entrepreneurial spirit
of informal actors play while also providing alternative methods to approach the study of informality. Lastly, the voluntarist school highlighted the decision-making ability of informal actors.

In the next chapter, I will develop these shared understandings and how they can be challenged. Perhaps more importantly I will put forward the reasons why the must be challenged if a better understanding of informality is desired. The schools of thought of informality certainly provide a good theoretical framework with which to start the deconstruction of informality. Understanding the evolution of thought regarding this topic is important in order to properly challenge the ideas put forward and produce new understandings as well.

CHAPTER 2: Deconstructing the underlying assumptions of informality

As previously stated, the four schools of thought on informality present different approaches to the study of informality. Although the schools may vary in their methodology, responses, and management of different variables, they all share underlying assumptions that set their framework. In this chapter I will specifically look at three of these assumptions and how they have set the discourse of informality. First, the desirability of formality as being something desired by everyone. Second, the assumption of economic rationality as the only or main decision factor of informal actors when deciding to stay informal. And lastly, the universally accepted notion that informality is a detriment for development.

While these assumptions were made with the intent to simplify the study of informality to provide a clearer understanding of it, the implications they carry can obscure important processes and characteristics of informality. For example, assuming that informality is desirable by default
assumes a homogeneity where informal actors aspirations are taken for granted. Likewise, treating informal actors as rational economic actors who only choose informality to avoid taxes or regulations ignores the social composition of informal actors and the motivations that may come as a result. Lastly, accepting that informality is bad for development overlooks the ample contributions that informality has and can provide towards development.

This chapter will delve further into these three assumptions, how they operate and their implications for the informality discourse. In each section I will first give an overview on how the four schools of thought operate under these assumptions. Then, I will present the reasoning behind them and why it matters. Lastly, I will present the implications set by the assumptions and the processes and characteristics they overlook.

The desirability of formality

For all the conversation there has been so far on informality and its discourse, it is important to also discuss its counterpart, the discourse of formality. As previously established, the discourse of informality/formality is best understood under the discourse of development. In this discourse, as Escobar’s book *Encountering Development: the making and unmaking off the third world* (1994) shows, there is a stablished hierarchy that portrays formal western economies as the ultimate goal societies must follow. Hence, the message is clear, the goal of development is for informal societies to develop into formal ones.

Now this is one aspect in which all the schools seem to agree, albeit for different reasons. Formality is something to be desired and ultimately achieved. Dualists view full formality as the ultimate expression of industrialization and an unavoidable destination; structuralists, see it as the
only way in which there can be a regulation and overview over capitalist interests; lastly legalists and voluntarists, conceive formality as the path for full productivity and growth. The discourse these perspectives create, is a binary one, were informal is negative and counterproductive to development, and formality is the path towards it.

This view of formality as something to be achieved is deeply entrenched in TPMIs, governments, and those who make up the formal economy. It assumes that everyone concerned wants formality, and while TPMIs may have been successful in transmitting this desire upon governments, the same cannot be said about informal actors. If anything serves as proof, is the long conflict between government institutions and informal actors. Formalization is the goal for all schools of thought, and while some schools are less keen on the government (i.e. legalists), all schools agree that in order to formalize informal economies, governmental institutions are key actors. As such they act as the enablers of policies which can bring about formalization and are often antagonist to informal vendors.

If formality is something desired by society as a whole, then how come government institutions seen as the enemies of informal vendors? Could it be that informal vendors are not as keen on formality as one may think? The only school of thought that would seem to agree with this statement is voluntarists, who would argue that informal vendors deliberately choose to stay away from informality to avoid the costs it entails (i.e. taxes). As it will be later discussed, this however, is an over simplistic view on decision making processes of informal vendors. Variables like gender and race do matter and influence the choices of vendors. If this applies to vendors couldn’t we in fact extend this analysis to those who choose formality and view it as desirable?
Formality is not just an economic mean or way to do business, if looked at closely we can see that formality is also a discourse that responds to variables like class and race. The formal is often portrayed as that which is organized, profitable, and modern, etc. Contrastingly, the informal is portrayed as unorganized, economically marginal, and traditional or outdated. This dichotomy is misleading at best and dangerous at worst. In Latin America, the dichotomy historically set by the ruling class between what is formal and what is not has often translated into a question of what is civilized, equating western/European with progress and indigenous with inferiority and backwardness (Moscoso, 1992).

Acknowledging this context, is that we ought to question the discourse of informality. While at first impression informality may seem unorganized, there is in fact a complex and structured organization behind it that is able to articulate the coordination of large groups of people and economic interests. The same applies to the notion that informality is economically marginal, evidence shows that informality can indeed produce wealth and not just be a means of economic survival only. Lastly the dichotomy of the modern vs. the traditional, creates a false dichotomy whereby traditional is seen as backwards and detrimental to development. This argument however is turned apart when looking at the continuous survival and even success of informality in the Bolivian Andes.

In their book, "Hacer plata sin plata" El desborde de los comerciantes populares en Bolivia, Tassi, Medeiros, Rodriguez-Carmona, y Ferrufino (2013) bring forward the potential of informality. They argue that the informal economy provides vendors many benefits unseen by TPMIs and the state. Looking at the many mercados in La Paz, the book notes that informal vendors have indeed overtime not only thrived economically but have also created new ways of
doing business. Leveraging traditional family organizations, like the Ayllu, informal vendors have been able to create national and even international networks that have allowed to maximize business opportunities. A practice that is also observed by other authors (Leon, Valdez, and Vasquez, 2003). But using structures like the ayllu has not been the only way in which informal vendors have made use of traditional customs.

Shown in the name of their products, the shape and design of their houses, and many customs that are performed in the informal economy, one can see the influence of Aymara and Quechua cultures in the informality of the Andes. By virtue of being an economy that was shaped after who the vendors are themselves and not after western aspirations, the informal economy gives vendors the opportunity to carry on with traditions without feeling out of place. Moreover, it also allows them to innovate and construct identity through their economic activity. Therefore, creating an environment where informal actors are able to accumulate wealth while constructing their own identities, two qualities that the formal cannot truly offer, as we will later see.

The work done by the above-mentioned authors, therefore challenges our understanding of informality and why it may in fact be desirable to the point of rejecting formality. While the state and those in urban centers may in fact desire formality for what it represents, the conflict of the state and informal vendors shows that formality and its world view is not one universally accepted or desired. As it will be shown later, informality has been capable of creating wealth, shape society, and bring forward development as well. Thus, could it also be that formality is not as completely necessary to development, as TPMIs would have us believe? The later question is further analyzed below, however, it’s worth keeping in mind when questioning formality.
Informal actors as rational economic actors only

When it comes to the analysis presented by the schools of thought regarding the motivations behind informality, we find two different stances. On one side we find that the first two schools of thought, the dualists and the structuralists, have a passive take on informal actors and their motivations. Under these two schools of thought, informal actors are seen as victims of either rapid industrialization or capitalism. Thus, informal actors’ motivation to be part of the informal economy is one of sole survival. On the other hand, legalists and voluntarists, view informal actors as active decision makers who make deliberately become or stay informal due to extra costs such as taxation, registration costs, labor regulation costs, etc. Therefore, making the motivation behind informality a calculation that responds to economic costs.

This later view on informal actors, that of active decision makers, is the one that has prevailed and shaped the informality discourse the most in the last decades. Viewing informal actors as active decision makers places the responsibility of informality onto the actors themselves and tends to portray them as the culprits given that informality as whole is seen as a negative phenomenon. While the legalist approach does tend to place the blame upon highly bureaucratic governments (De Soto, c1989), and this became a widely held belief particularly in nineties during the height of neoliberalism, voluntarists view, that only sees informal actors as tax avoiders, has become the new currency. Their approach places the responsibility entirely upon informal actors, making it easier for transnational policy making institutions to portray informal actors negatively. As they are presented as free riders who are unwilling to make contributions to the societies to which they belong (Levy, 2008; Anton, 2014) and create unfair competition to their formal
counterparts weakening the process of creative destruction (Busso, Fazio and Levy, 2012; Fajnzylber, Maloney, and Montes Rojas, 2009)

There is no denying that informal actors indeed perform cost-benefit analysis when making decisions, nonetheless attributing decision making to just economic costs would be an oversimplification of the complex environments and realities in which informal actors lead their daily lives. For example, it is a common characteristic, even recognized by TPMIs, that a majority of informal actors are made up by women (UN Women, 2016). While numerically gender may be accounted for in studies done by fours schools of thought, reporting the numbers does little to explain the causality of said numbers. Though some may disregard this fact as just a descriptive fact, research has shown that women conduct themselves differently in economic environments (IFC, 2017), thus their gender identity may in fact have an impact on decision making. Moreover, when looking at the composition of many informal activities, one common denominator is the ethnic and racial composition that it has. In many cases, such as Keith Hart’s own research shows (1973), the starting point of many informal economies are migrant communities (mostly from the rural areas) who have a shared ethnic background that makes it easier to establish relationships and ways of conducting business. Given these complex backgrounds wouldn’t it be worth it to question if these variables have an impact on informal actors’ decision making?

The Bolivian experience seems to indicate so. In their book, Warmis Alteñas En El Puesto De La Vida (2003), authors, David Quispe, Florencia Tonconi, and Celia Canaviri, dive in the world of women merchants of El Alto and have a close look at the motivations that drive them. Their research argues that there are many reasons why women choose informality, however among the top, is the flexibility that informal markets offer to take care of their families, the pre-established
networks that women are able to build upon, and the acquired know-how of market culture. The first two reasons are directly related to gender and the realities this brings with it. Thus, showing that gender may indeed play an important role in decision making beyond just economic gain.

Regarding the role of race and ethnicity, in their book, *La Cosmovisión y lógica en la dinámica socioeconómica del qhatu/feria 16 de Julio*, Yampara, Mamani, and Calancha (2007), purposefully stray away from economic analysis. Using a sociological perspective, they seek to understand the inner workings of one of the largest street markets in south America, Feria 16 de Julio. From a spiritual standpoint exploring the ways in which Andean spiritual beliefs have shaped informal markets in El Alto, the authors are able to demonstrate the importance of traditional practices for informal actors. In similar vein, but with a focus between the rural and the urban, authors, Gabriela Leon, Humberto Valdez, and Victor Hugo Vasquez (2003), research the evolution of street markets in Oruro and question whether they have transcended their rural component or have implemented it in new ways. Ultimately concluding, that while peasant markets have indeed evolved, they have maintained many of the practices acquired in rural areas and have thus maintained their peasant spirit.

The research made by these scholars in Bolivia, goes to show that identity does indeed play an important role in the development of informal economies. Thus, dispelling the assumption made by the informality discourse that economic gain is the sole reason behind informality. Moreover, it brings forward the necessity to understand informal economies from different fields of study, as viewing them from an economic lens only may not be sufficient. Of course, it would be a bold assertion to say that informal actors most important consideration when making decisions is ethnicity or gender. Reality, as always, is more complex than that as the field work will later show.
Informality as detriment for development

The third assumption made by the schools of thought which has shaped the discourse of informality is the accepted notion that informality impedes development. As it has been discussed earlier, a key part of understanding the informality debate is to acknowledge the development paradigm in which it exists. Informality has been primarily studied as development issue. Whereby formality is the destination and informality the rugged path to it. Therefore, while the first assumption implies that formality is something universally desired, this third assumption suggests that formality is not only desirable but also a necessary means to an end. That end being development.

Under this premise, the schools of thought mirror the schools of thought of development. The dualist school resonates with the classical school of development, the structuralist with dependency, and legalists and voluntarists with neoliberalism. While the premises of the overarching development paradigm that school represents are different, they all seem to agree, to different extents, that informality is generally a negative phenomenon. One that leads to slow growth and thus to poverty. Consequently, establishing a continuum of development, where a progression to informal to formal leads to development (Lazar, 2004).

If the notion that informality is the opposite of formality and all it represents is accepted, then it would be safe to assume that economies that have high degrees of informality, like Bolivia, would be fated to poverty, slow growth, and low productivity. The data produced by TPMIs does seem to indicate so, Bolivia is often pointed as the poorest country in the Americas due to its low GDP and indicators of business creation also show Bolivia as one of the lowest performers in the Americas (OECD, 2017).
While these numbers are indicators seem to confirm the discourse of informality, it is also important to take them with a grain of salt. Indicators like GDP are made after western, mostly formal, economies, as such they are not built to measure activity like that of informality. GDP relies on governmental and formal institutions data, thus everything that takes place in the informal economy is often not measured and unaccounted for. If an economy like Bolivia’s, that is more than 50% informal, is measured with an indicator that is only capable of measuring half of its economic activity, wouldn’t it make sense to at least question the validity of indicators like the GDP?

Again, I would like to highlight the importance or rethinking informal economies such as that of Bolivia and question all the notions that might exist around it due to its high informality. This is why I find it imperative to put into question the poverty, low production, and slow growth narrative that might exist about Bolivia. Fortunately, I am not alone in this questioning, as there are plenty scholars who challenge these concepts.

Perhaps one of the strongest narratives of the informality discourse is that of poverty. While indeed, there are many people who join informality due to economic survival, in the Bolivian Andes, there are those who while may have started out that way, they certainly didn’t stay there. Readily able to use family structure and networks from their rural backgrounds in the city, many informal actors established good business connections and were able to accumulate money and, in some cases, accumulate wealth. This is a phenomenon particularly noticeable in El Alto, were vendors have accumulated wealth to the point of being called the Andean or Cholo Bourgeoise (Ayo, 2007). This new bourgeoise is not just characteristic for its high purchasing power, enabling purchases of Andean palaces that can cost millions of Bolivians (Miroff, 2014), but also for its
identity. Unlike previous economic elites, this newly recognized elite is visibly indigenous and does not ascribe to established notions of Bolivian elites (i.e. white and westernized). This new bourgeoisie does not look and share the same behavior as traditional elites, however, it is able to spend as much if not more and proudly acknowledges and embraces its informal nature.

In terms of the low productivity argument, Tassi et al. (2013), shows in their research, that productivity is possible within informality. They challenge this notion by noting the sophisticated business methods that many informal vendors have developed. Not only are they highly knowledgeable of their target markets, but they also know are able to quickly respond to the needs and wants of the customers. In some cases, this has even led to leveraging international networks to create customized products in industry strong countries like China. Thus, emulating the western model of creating intellectual property, represented in brands customized to the Bolivian market.

Lastly, the slow growth narrative, while compelling when looking at TPMI numbers, this narrative becomes questionable when studying the birth and rapid growth of city as unique as El Alto. If informality translates into slow growth, how can the city of El Alto be explained. Not only is El Alto the youngest major city of Bolivia, formally recognized in 1958, but it is also among the fastest growing. Today, El Alto is the second largest city of Bolivia, now even bigger than La Paz. If Bolivia is among the most informal economies of the world, then El Alto is probably the most informal city of the world. From its neighborhoods to its transport and goods markets, El Alto has developed mostly thanks to informality.

All in all, the research by Bolivian scholars show that one cannot readily accept the narrative put forward by the informality discourse. Moreover, while development is often talked
as an economic issue only, many other schools of thought also consider other aspects like socio-political development. Informality has not only produced wealth, it has also created political power, expressed in the informal unions that have had a large impact in the development of Bolivian politics and its state formation. Likewise, informality has also been able to produce cultural capital, like the worldly appraised Andean architecture among others, that has shaped the way in which Bolivia is perceived in the world. Subsequently, studying informality in Bolivia demonstrates that there are other ways to conceive informality.

Conclusions

The discourse set by the schools of thought and the TPMIs that legitimize it offer a way to understand informality and its language helps frame the world in which this economic phenomenon develops. However, this should not be the only to view and understand the complex world that is informality. As I have argued, it is worth questioning the assumptions upon which the informality discourse is developed. To do so, not only helps understand the discourse of informality better, but also enables the need of new and better forms to understand informality.

This of course, is not romanticize informality and ignore the many challenges that come along with it. Rather it is an attempt to deconstruct the accepted notions of informality and challenge the sense of reality it creates. Nowhere is this more necessary than in Bolivia. If one wishes to understand the country, then one most seek to comprehend its economic phenomena and everything it brings along with it. To rethink informality is to rethink Bolivia and the many possibilities it may bring in the future.
CHAPTER 3: Concepts and historical context

It is estimated that up to 60% of Bolivia’s economy is informal (Medina and Schneider, 2018). Thus, making informality the norm rather than the exception. While this may seem and obvious statement it in fact changes the perception that someone in Bolivia may have of informality vs. someone who comes from a country were informality is not so high (e.g. Chile). Informality being the norm rather than the exception entails a series of changes to the understanding of informality. While the discourse of informality often refers to informality as a marginal phenomenon that ought to be addressed or a historical moment. In a country like Bolivia, where it has been extremely normalized due to its large presence, to talk about informality as a marginal activity that ought to be overcome is to imply that the whole country needs to overcome itself.

Informality is present everywhere in Bolivia, from the places in which food is obtained, to the transportation used to move from one place to another, or even the neighborhoods were people live, almost every aspect of Bolivian’s lives deals at one point or another with informality. Thus, it is important for the reader to take a step back and rethink what he or she may think informality looks like. This is why, I believe it is important to contextualize the reader in the vocabulary and history of informality in La Paz and El Alto. In this chapter, I will first give an overview of the vocabulary and concepts that are needed in order to understand informality in Bolivia. On the second part of this chapter I will do a short overview of La Paz and El Alto’s history and their informality in order to understand the different dynamics that these cities operate under. Thus, dismantling the notions that one may hold on how informality works.
**Mercados, ferias, fijos, and ambulantes**

While informality is present in many aspects of Bolivians lives, this work is mostly concerned with mercados and its many variants. Why use the Spanish word mercado instead of market? While the direct translation for the word mercado to English is market, conceptually this translation doesn’t apply. In English the word *market*, on its own, is often related to economics and is an abstract concept that can have a variety of meanings which may be, or not, tangible. For example, a market becomes tangible and less abstract when adding the word farmers to it. On the other hand, the word mercado, on its own, at least in Bolivia, has a different meaning. Unlike the word market that needs an added word to distance itself from the abstract concept, the word mercado, on its own, is mostly used to refer to informal vendors who have a physical location in which they carry on commerce activities.

While mercados have physical locations, they are not just locations per se. In his work on mercados of Cochabamba, anthropologist Daniel Goldstein (2016), goes further in his exploration of what a mercado is in Bolivia, and points out that mercados are spaces and not just fixed locations. He describes mercados as almost living organisms that are constantly changing, even by the hour. Mercados are not to be understood as small marginal economic activities, rather the contrary. As they represent important economic activity and they do not just occupy large spaces but also vital ones. They are not marginal, as one looking from abroad may think, mercados are at the core of cities and have quite the impact around them. Hence the Bolivian mercado is different from whatever may come to mind when foreigners, especially those in the west, hear the word market or even a more similar terms like street market.
Mercados in Bolivia have many variants that are important to note. In La Paz and El Alto, the word mercado can be used to refer to different types of commerce activities. For example, mercado could be used to refer to a fixed building where commerce takes place, a street that has been taken over by merchants, or a weekly/monthly event where merchants come to sell goods. There are three types of mercados I visited while doing my research: ferias, mercados de calle, and mercados populares.

Mercados that only take place on specific days of the week (or month) are called ferias. Ferias are considered to be mobile, they set up for a specific amount of time only, ranging from a day to more extended amounts of time (i.e. like Christmas). There are a wide range of ferias from the most temporary, like those where sellers only occupy a certain space just for a certain time to sell seasonal products, to those that are extremely well established, like El Alto’s Feria 16 de Julio. It can be argued that most of the well established mercados in the cities likely started out as peasant ferias at one point. Because they are temporary, these mercados are made up of tents and stores that are easy to assemble and disassemble. While they may be large in size, most of this mercados will quickly assemble during the day and be gone by sundown.

The second type of mercado I call the mercado de calle, this mercados are those who have taken over certain streets in the city and effectively transformed into mercado spaces only. Unlike ferias, that also take over streets of the city on certain days of periods of time, mercados de calle have occupied their spaces for good. These mercados are usually referred to by the name of the street they have taken, e.g. Uyustus, Garcilazo, Tiawanaku, Raul Salmon, etc. Some of these mercados de calle have fully lost their street use, i.e. a space for vehicular circulation, and other have a mixed use. These mercados are made up of tents and stores that have
more solid structures since they don’t have to be dissembled like ferias. Some vendors even have store like rooms on the back of their tents where they keep their inventories.

The last type of mercado I am going to describe is the mercado popular. Mercados populares are buildings solely dedicated to vendors, out of the three option I will describe this is by far the most fixed and formal version of the mercado if you will. Historically mercados populares where the spaces where people from the rural area would come and sell their goods, overtime, these spaces became more stablished and through different means, either payed by the vendors themselves or with municipal help, became actual buildings where commerce, mostly related to food, takes place. Mercados populares are made up of small store-like compartments that are fixed and are arranged by type of product.

Within the varieties of mercados I have described above it is also important to denote two important categories that vendors ascribe to in these spaces: fijos and ambulantes. Fijos, which translates to fixed, is a term used to refer to informal vendors who have a fixed location. Important to note that by fixed I do not necessarily mean that they own a physical store, rather that these are vendors that sell regularly at a given spot which has been recognized by the mercado association and sometimes even the municipality. Thus, they have legitimate ownership of the space they occupy even if they do so only a few days a week or even just hours. This in turn makes them more regular and gives them more rights as they are recognized by mercado institutions.

Their counterparts, Ambulantes, ambulant, are vendors who do not have a fixed location and roam around mercado spaces to sell their goods. Because they must walk around, they have small inventories compared to that of the Fijos and are not necessarily recognized by any mercado.
association. As such ambulantes are more vulnerable to an array of issues, like robberies, questioning from the state, etc (Goldstein, 2016). Fijos in most cases are not regular merchants, i.e. commerce is not their main activity, many are people that due to economic strain have taken over to the streets in order to find an additional source of income. Unlike fijos, who can inherit their spots to family members thus making commerce a family tradition, ambulantes have less capital to invest and are therefore temporary until they can find a more fixed income source.

![Figure 3. Photo of an ambulant vendor to the left and a fijo vendor to the right. (own photo)](image)

The differentiation between the different types of mercados is central in this work because it shows the diversity that mercados have and how they cannot simply be understood as
homogenous economic activities that work similarly everywhere. Likewise, the difference between fijos and ambulantes is important because it dismantles the discourse that informal vendors are only informal due to economic strain or other precarious situations. Yes, this is indeed a reality, probably best represented by ambulantes, but fijos, who tend to be the majority, show quite the contrary. Not only are they not occasional vendors, but in many cases, they have been engaged in informal economic activity for generations. And as I will show later on this has not necessarily been an outcome of lack of social mobility. Understanding the complexity of mercados is key to deconstructing the set imagery that the informality discourse has established.

*Understanding of race and language*

Racial identity in Bolivia is a concept that is highly contextual, and indigeneity is central to it. In terms of indigeneity, Bolivia’s social movement history along with its state development and changing economics has had great implications as to how indigeneity is lived in the Bolivian Andes. The revalorization of that which is indigenous, came along as a counter-statement to reject the mestizo discourse of the Bolivian revolution of 1952. In order to understand how this departure from mestizaje and re-appropriation indigeneity takes place in El Alto, I borrow from previous works of scholars that point out that race in the Andes is contextual and circumstantial. Furthermore, race in the Andes is different from that elsewhere in that it distances itself from phenotype categories and is based on cultural aspects that can stem from education and economic access (De la Cadena, 2000). Where the categories between what is white and indian are relative to a variety of situations, like locality, therefore blurring the lines between social binaries (Canessa 2012).
Regarding the language used in this work I would like to make some differentiations for the use of the words, indio and indigenous, and, cholo and mestizo, their context and differentiation. As Andrew Canessa points out in his book (2012), there are important differences between calling someone indio or indigenous. While the word indigenous is a more inclusive term, the politically correct option for sure, its usage has been problematic to some in that, they argue, it erases that history of colonial oppression of the indio. The term indio, while problematic, as it has historically been used as a slur or a way to diminish someone, has also been the political flag of indian leaders who claim that liberation of the oppressed indians will come only at the hands of indians themselves. Nonetheless, it has been under the word indigenous that the most important social movements centered on issues of race and ethnicity have flourished.

While the word indio has been re-appropriated by some political movements and leaders, this practice has not been normalized and the on day to day activities the word is still considered a slur. In this context, the word indio will be used mostly to describe the historical developments that took place in terms of social movements and to describe certain social interactions. On the other hand, the word indigenous, will be used to refer to ethnic practices.

Mestizo and Cholo identity, in the particular case of La Paz and El alto, are deeply intertwined with racial connotations of indianess and locality. Like the word indio, the word cholo has been used as derogatory term. While being cholo is definitely more linked to being indigenous, the cholo identity in El Alto is fluid and is the product of processual mixing of rural and urban experiences (Lazar, 2008). Lazar develops that the chulos of El Alto find themselves in a constant debate between the urban and the rural, as they engage in consumerism, the urban, and continue to carry an unusual collective organization, the rural, even for a city of its size (the second largest
in Bolivia). Contrastingly, mestizos differentiate themselves because of their urbanity and western values that come with it. Hence, in El Alto the communication between the rural and the urban translates into a collective understanding of citizenship, while in La Paz it translates into a more western idea centered on the individual. Locality in this sense is critical to understand identity construction, due to its closer proximity to the rural El Alto is seen as a city of chulos versus La Paz which distances itself from the rural and thus it is considered a city of mestizos. Therefore, while El Alto and La Paz are not indigenous and mestizo cities in its entirety, when referring to mestizo and cholo it can be assumed that I am also referring to locality.

An important parenthesis must be made for the word *chola* and the importance of gender in this matter. In the case of the female counterpart of cholo, the chola, the aspect of clothing is a key differentiator from their mestiza counterparts. The polleras and braids set them apart and have often been used as sources of discrimination. Nonetheless, the importance of cholas transcends their clothing, as they are also a vital component of the informal economy in Bolivia and thus have carved themselves a space in the struggle for power. Women in this sense play a central role in the re-appropriation and reproduction of racial hierarchies as well as economic and political empowerment. The role that cholas take in the way in which the informality discourse is produced in La Paz and El Alto will be furthered analyzed.
Historical background of La Paz and El Alto

Understanding the concepts above is key to deconstruct the complexity that exists within informality in Bolivia. As such it is also important to highlight the context in which they unfold. In this section I will give a small overview of the two cities I researched and their relation to informality.

La Paz was funded under the Viceroy of Peru in 1548, it is therefore the oldest city in Bolivia, and it is even older than Bolivia itself. La Paz was never intended to be the political capital of La Paz, let alone be considered the capital of Bolivia in eyes of the world, the actual capital of Bolivia being Sucre. However, in 1898 the legislative and executive powers were moved to La Paz, since then La Paz has been surrounded by politics and it has been profoundly shaped by this.
Becoming the political capital of Bolivia, meant that La Paz became the new home for the political and economic elites of Bolivia. This in turn manifested into a notion of aspirations on what the city ought to be like, at least from the perspective of the elites. In this sense, there has always been a strong desire for La Paz to be more urban in western terms, e.g. more cosmopolitan and modern, thus creating a resistance from the elites towards informality. As mentioned before, La Paz can be considered the mestizo counterpart of El Alto. Nonetheless, as a power nucleus, La Paz attracted many people from across Bolivia and its rural areas, unable or unwilling to access the formal economy, these newcomers turned to the streets creating a strong informal economy in La Paz.

There has always been an identity conflict in La Paz with the background of its rural new comers. Historically, La Paz has always sought to shed the indigenous and rural customs to make room for its mestizo identity (Canessa, 2012). Consequently, if El Alto is known as an indigenous city, where structures like the ayllu are still present and very much in use, La Paz is known as a mestizo city, where western values are the most dominant. Hence while one could encounter some family networks across the mercados of La Paz the degree would not be as high as which we encounter in El Alto.

Despite the attempts to ascribe to a particular vision of a city, mercados are a big part of La Paz however, unlike El Alto, the state, represented by the municipality, has had a much more antagonistic approach towards informality. Trying through many mediums to formalize it and control it. The frictions between the municipality and informal actors in La Paz show a reality where the discourse of informality clashes with the reality of the city that is highly dependent on informality to do its daily activities. It’s important to keep this conflict and the reasoning behind
it in order to compare and contrast the differences that exist between La Paz and El Alto, which ultimately offer two models as to how informality must be dealt with. This is not to imply that one model is right or wrong, on the contrary it is to provide comparison point and hopefully establish better understanding of how the informality actually works and how its discourse may thwart the many possibilities that informality may bring along.

If La Paz is the mestizo counterpart, El Alto its indigenous complement. The first records of settlements of what would eventually be the city of El Alto dates from 1912 (Educa.com.bo, 2016). While La Paz is located in a valley, El Alto is located on the top of this valley in the flat highlands. Attracted by the economic movement of La Paz many of the new comers settled in the outskirts of La Paz. Due to the commerce that was brought into La Paz through the highway much of this commerce started taking place in the outskirts of La Paz where rural merchants would initially barter goods on feria days to then return to their communities. Nonetheless, as time passed by, many merchants started settling in these areas as they were able to find better opportunities, like better education, infrastructure, and access to services like potable water and electricity.

Not yet called El Alto, the settlements of people kept rapidly growing during the rest of 70s and early 80s. The growth was imminent, but El Alto was still considered part of La Paz. This would change as a result of the deep economic crisis of 1984. The crisis which resulted in one of the highest hyper-inflations in the world gave rise to high poverty rates and economic collapse. While many people in the rural areas migrated to the lowlands of the country, others opted to go to the closest urban areas where they had relatives or friends. Most of these new-comers turned to informality in order to have economic means. The arrival of new people meant El Alto grew quickly. While in the 2001 census the population of El Alto was 649,958, smaller to La Paz with
793,293, in the 2012 census the population had grown to 848,840, now larger than that of La Paz with 764,617 (Candela, 2013). This rural migration, where indigenous practices and identity are very strong, has given El Alto a particularly high indigenous self-identification percentage. When Asked in 2001 how did Alteños identified over 70% percent said they identified as Aymara, around 6% identified as Quechua, and 20% as other or none.

Much of this growth however was not institutionally accompanied and Alteños had to resort to one another to organize their day to day life. Using customs from their rural background, like the family structures and communal living, neighbors created their own neighborhood associations to address their needs, such as land plotting, security, road maintenance, etc. Neighborhood associations from different associations saw the need of collaborations and came together under the Federation of neighborhood associations (Federación de Juntas Vecinales or FEJUVEs). Likewise, gremios, mercado associations, started to address the many needs that the informal economy of El Alto had. While FEJUVES and gremios are institutionally recognized by the government they are an inherit product of informality. As such much of El Alto’s organization is the result of informality, effectively making El Alto the informal city.

The organization of FEJUVES and gremios is an important aspect of El Alto as it not only helps organize daily life, but it has yielded political power. Because of its key location surrounding the main roads that connect La Paz to Bolivia, El Alto has high political capital as it can easily blockade La Paz. El Alto’s political power has been critical in several occasion of Bolivia’s history. During the government of Gonzalo Sanchez de Lozada (popularly known as Goni) in 2003, the future of natural gas reserves in Bolivia was hotly contested. Originally intended to be exported to Mexican and US markets, Sanchez de Lozada’s plan was to use a Chilean port to minimize costs
and maximize profits. Due to historical tensions with the neighboring country, many strongly opposed this idea. Led by El Alto’s FEJUVES and gremios who were well organized protests against Goni ensued. The discontent about the natural gas reserves was widespread and after two months of heavy conflict and many deaths, Sanchez de Lozada saw himself forced to resign and fled the country. Sanchez de Lozada’s resignation and the eventual election of Evo Morales was seen as a success and many identified El Alto as a key player for this outcome.

The empowerment that came as result of the events of 2003 and the election of Evo Morales greatly impacted El Alto and how citizens perceived themselves within it. Moreover, the economic empowerment that would follow thanks to the commodity boom of the 2000s would help propel a new stage of the growth in El Alto at which informal actors were at the center.

Conclusion

Part of deconstructing the discourse of informality and the homogenization is brings about is to contextualize the reader. While initially this chapter was conceived to locate a foreign reader in the complexities of informality in the Bolivian Andes. This chapter has also proven to be an important exercise for me, even as I am a local, stopping and trying to categorize and label the different phenomena of informality, I myself was impressed by its many nuances.

There are probably far more categories of markets and concepts that need to be analyzed, the list I have provided is by no means an extensive one, nonetheless starting to recognize the differences that exist is very important step. Moreover, contextualizing the role that informality has had in the development of neighboring cities, La Paz and El Alto, also help to visualize social
phenomenon, like the racial compositions and aspirations each city ascribes to. These phenomena are vital if one wishes to feel the many distinctions that may exist within informality.

CHAPTER 4: The informality discourse in Bolivia and desirability of formality

In this chapter I first seek to understand how the discourse of informality, particularly the desirability of formality, has been used in Bolivia and how it has been contested as well. In this chapter I mostly focus on La Paz because unlike El Alto, its institutions have been more pressing in their search for formality and everything this implies. To do so I first analyze public discourse, what it has to say about informality and how it is viewed in La Paz. Later, with evidence from the interviews I did and the observations I gathered in the Bolivian Andes I show how this discourse is enforced by the state and the clashes it creates with informal vendors. Ultimately, I argue that the conflict between the state and informal vendors shows that the dominant discourse of development, and the informality discourse by extension, is not as universally accepted as TPMIs, the state, and the public opinion would make one think.

Citizens vs. informality

To understand how the informality/formality discourse operates in the Bolivian Andes one ought to research what the public opinion has to say about it. To get a sense of what the public opinion has to say about informality I chose to look at opinion columns and editorials from two of the major newspapers in La Paz and El Alto, La Razon and Pagina Siete. I recognize that public opinion is not representative of all society. More often than not, public opinion reflects the interests of the elites of a given society. This is most likely the case in Bolivia, but I find this perspective useful as elites views often shape the aspirations and desires of their societies (Paul & Brown,
2001). Also, while the two newspapers I chose circulate in both cities their content mostly pertains to La Paz and not so much El Alto. Even though I would have wanted to use an Alteño newspaper, unfortunately, online options weren’t available.

When doing public opinion analysis, I particularly focused on the use of language and how it portrayed informality to its audiences and what I found was telling. Most of the articles I read and examined portrayed an antagonistic view of the informal economy, so much so that one gets the impression that the city is at war with informality. Editorials with headlines like “Gremiales ready to attack La Paz” (Pagina Siete, 2017) or “The Gremialista dictatorship” (Pagina Siete, 2016) exhibit the negative portrayal that the public opinion has on the informal economy. These editorials portray informal vendors as ungrateful and ambitious individuals who through their gremios are taking over public space against which “citizens can do little to nothing.” Other opinion articles mention the frustration citizens feel towards the organized protests of mercado vendors that block streets and traffic (Castro, 2017). Interviews with residents, also resonate this, expressing a feeling of asphyxiacion by the constant protests that prevent them from leading their lives with normalcy (Pinto, 2017).

The narrative put forward by the above-mentioned articles, editorials, and opinion columns is a common one in public media. Public opinion seems to agree across the board, the informal economy is a common evil that is slowly taking over the city leaving citizens and their needs behind. Authors, question if La Paz will ever thrive as a “capital” if its citizens do not demand that their city is respected. After all, how will tourism thrive if the informal economy goes against the right of free movement of citizens?
This narrative is quite informative of how the informality discourse operates in La Paz. First, it shows that for public opinion, informal vendors are getting in the way of La Paz’ development. Thanks to the constant protests and continuous growth of informal vendors, La Paz’ potential to be at the level of other important world capitals is being corroded and so is its tourism. Secondly, this concern with tourism and the comparison with other world capitals exposes that the way in which La Paz could potentially be perceived from abroad is highly important for those who make up the public opinion. Showing that approval from foreign sources, most likely western, is a defining factor for development. Lastly, and perhaps most importantly, public opinion demonstrates that there is clear understanding that informal vendors are not seen as citizens who also have a right for public space. They are portrayed as antagonist to citizens and are excluded from this group. Which brings about an important question: Who is the citizen? And why are informal vendors not seen as such?

The question of citizenship in Bolivia is an ample debate that responds to many indicators throughout time. Nonetheless, in order to understand how the formality discourse cemented in Bolivia one must go back to how citizenship was originally conceptualized. Prior to the revolution of 1952, citizenship in Bolivia was exclusive to white, educated, land-owning males. While from its inception the Bolivian constitution was a liberal one that granted individual rights to its inhabitants, it was also an exclusionary constitution that created a difference between Bolivians and citizens to make clear that while all inhabitants of Bolivia could potentially be Bolivian, not all could be citizens (Canessa, 2012). The reasoning to create an exclusionary citizenship came as a result of a dominating class that had its eyes set on Europe and perceived the indigenous race as
a cause for national retardation, and it went as far as predicting its gradual disappearance in favor of the development of the country (Lazar, 2008).

Arguably much has changed in terms of how citizenship is understood today in Bolivia, however many of the aspirations and conceptions that were set in how citizenship was originally conceptualized are still relevant today. The informality discourse, in fact, plays nicely in this exclusionary notion of citizenship. In Bolivia informality is strongly equated to rural and indigenous practices, after all, the main character of mercados are cholas and many of the mercados in the cities were originally peasant mercados. Thus, the association of rural, indigenous, and informal is a strong one. This effectively racializes the formal and the informal into a dichotomy of a white-mestizo, western and modern society vs. a brown, indigenous, and traditional society.

Taking this into account it comes as no surprise that informal vendors are not seen as citizens by public opinion influencers who often belong to historically dominating elites. For them, malls and supermarkets in western nations are the model to be followed (Siles, 2015). Informal vendors get in the way of these aspirations. Not only do the protests for their right to exist interrupt the day to day activities of citizens, but their whole existence disrupts their dream to one day be formal and by extension developed as their western counterparts. As such, public opinion expresses the need to control and eventually diminish informality as an imperative task if the country wishes to develop and reach its full potential.

The state as an enforcer of formality

It is clear that traditional elites desire formality, but how do they pursue this desire? How can they effectively impose norms and regulate the behavior of informal actors? The discourse of
informality answers these questions by putting forward the state as the enforcer of formality. While the schools of thought have different views on the state’s role, some schools advocate for a stronger state (dualists and structuralists) and the other two (legalists and voluntarists) argue for less state presence, the state is always at the centerfold of solving informality. The identification of the state as a solution for informality is easily understood. From a practical point of view, enacting and promoting policies in a top down approach is done easier from the state which has the needed institutional capacity to apply said policies. Consequently, making the state the lead player against informality.

In the cases of La Paz and El Alto the representation of the state are the municipalities. While the central government does indeed play a role in the implementation of policies that could potentially regulate and control informality, in the past decades, due to political alliances, the central government of Bolivia has taken a step back. Essentially leaving municipalities at the forefront of the battle against informality. This is why when doing my research, I interviewed municipal workers from La Paz and El Alto to understand their approach towards informality. I also relied on observations to get a better sense of the state in its role as an enforcer of formalization. Below, I will highlight some of these interactions and observations to show the animosity between municipality and informal vendors and what one may conclude from this.

The discourse of them vs. us (i.e. the citizens vs. informal actors) that public opinion spouts, is one that was further confirmed to me when doing interviews with municipality officials. One particular interview stands out among the others. Carla V. had worked for the municipality of La Paz for 4 years as a mercado inspector and had also worked for the municipality of El Alto in a similar role. Her job as an inspector meant a constant contact with informal vendors. She would
do official and undercover visits to mercados in order to check that their products were safe for consumption and that they had the necessary permits for selling. Often times her job meant having to confiscate products or close down stalls which put her at odds with informal vendors.

Carla shared with me many stories of her experience as a mercado inspector and she often highlighted how well-organized informal vendors were. She told me that whenever they started their inspections, informal vendors would quickly inform one another to hide away products that did not meet health standards, or that had been imported without proper documentation. The speed at which vendors started identifying municipality workers and shared the information with one another became such that they had to resort to undercover inspections in order to do their work.

This ability to work together in order to evade the municipality was also highlighted by Abraham, another municipality worker and Carla’s coworker, who told me about an undercover inspection in one of the most transmitted streets of El Alto, La Ceja. “I don’t know how they do it, we sent undercover inspectors we rarely send to that area, and even like that they managed to recognize us, they started screaming at them and they called their gremio leadership, they are violent, it got so bad that they had to call me and I had to go there with the police in order to calm things down”

While doing inspections was a challenging task, Carla mentioned that this was nothing compared to when they had to impose new regulations, such as carnetización. Carnetización was an effort from the municipality of La Paz to give stall identification documents to informal vendors from mercados de calle so they could have a document that certified they could sell on a given spot. The measurement was not positively received, and informal vendors and protests engulfed
the city (Chuquimia, 2016). When asked why informal vendors were so resistant to municipality regulation, she told me that it was partly because they didn’t want to pay extra fees but also because they distrusted the municipality. She said “they hate us, they don’t understand that it is for their own wellbeing, if carnetización is implemented they will have actual documentation to back them up and will be less likely abused by their gremios, but they don’t get it. What can you do? those people are like that you can’t make them understand”.

The stories that both Carla and Abraham told me demonstrate the deep conflict that exists between the municipality and the informal vendors. This conflict brings forward two important aspects. The first is the language used by Carla and Abraham to describe informal vendors. The use of them vs. us is clear and it evidences that for municipality workers, informal vendors are the “other”. This “other” does not belong to their community and they do not necessarily see them as equals. The language used in the interviews mirrors that of the articles and editorials previously analyzed, hence we can see that the informality discourse is a normalized and dominant discourse.

The second aspect one can infer from the interviews with Carla and Abraham is the resistance that informal vendors put to the municipality. Informal vendors are unwilling to trust the state even if the regulations implemented are meant to work in their favor. In a conversation with a vendor in El Alto she told me “They don’t want to help us, they want to control us.” I also find it telling that it is not the carnetización fee that is at the core of the problem, rather it is a power relation fight. Informal vendors refuse the presence of the municipality and they are ready to use the organization systems at their disposal to prevent the municipality’s presence. The resistance of informal vendors is such that the carnetización attempt has proven to be futile and the municipality has had to back down in more than one occasion.
Although the municipalities, both in El Alto and La Paz, have not been successful in their attempts to control and regulate mercados, this has not been the only way in which they have seek to enforce formalization. For example, the municipality of La Paz is constantly promoting the formalization of businesses through courses on how to become formal. The municipality has in fact, recently entered in a private-public alliance with CBN (Cerveceria Boliviana Nacional), the largest beer company in Bolivia, for the creation of a formalization program for mercado vendors (Escobar, 2018). Consequently, some informal vendors have opted to formalize, and while they might still try to find some loopholes, the fact that they have chosen to formalize speaks of the municipality’s effort to be more business friendly and provide them with resources they may need.

This friendlier approach however, has not been the most successful attempt of formalization in La Paz. The municipality has created programs of “public space recovery”, a program that ranges from reconstructing plazas to displacing informal vendors from their mercados. These types of programs are present in many municipalities throughout Bolivia and have had varying degrees of success. In many cases the argument for public space recovery comes from the need of the municipality to “clean and organize” the city (Aramayo, 2015)

A great example of this is Mercado Camacho, one of the oldest mercado populares of La Paz. Mercado Camacho is located in an important hub of the city center and was therefore part of the La Paz municipality urban revitalization programs. The municipality entered into an agreement with the vendors of mercado Camacho, where in exchange of giving up space for a new commercial area, mostly dedicated to restaurants, the new occupants would buy all their produce from the Camacho original vendors. Thanks to the agreement with the vendors, the municipality
was able to attract interest from the private sector and in a public private alliance the building for a new mercado and the commercial area began.

Today there is not much left of Mercado Camacho, the bustling puestos that once where the majority of the mercado have been pushed to the side and have greatly diminished their presence. On the two occasions I visited one could only see a few puestos open and little to no people around (see figure 5). While mercado Camacho had been pushed to the side, a new and “better” version of Camacho rose right next to it, the Centro Comercial Camacho. When the opening of Centro Comercial Camacho was reported in the newspaper, the headlines announced the opening of a modern centro commercial (Hinojosa, 2014). A year into its opening, journalists talked about its success, where now one could get food from other countries from prestigious brands. (“El centro commercial Camacho cumple un año”) The last time I visited the Centro Comercial Camacho I could observe many fast food restaurants and the cholas who were once characteristic of the mercado Camacho where nowhere to be seen.
The case of Mercado Camacho illustrates how formalization does not necessarily translates into the incorporation of informal vendors to the formal economy. Quite the contrary, instead of giving informal vendors more opportunities it just opts to displace them from spaces they may have even occupied throughout generations. Moreover, in the quest for public space recovery, the municipality demonstrates that their vision of the city is one where formal business have modern and organized spaces. Thus, showing that the “recovery” works in favor of formality and those who the municipality deems the real citizens. Once again proving that the negative portrayal of informal vendors set by the informality discourse often leads to attempts to get rid of it instead of
incorporating it. Centro Comercial Camacho may be a success story for the municipality, but this is not often the case. More often than not, mercados will fight back the municipality and limit its reach within the spaces they have occupied for so long.

Conclusion

The conflict between the municipality and the public opinion vs. the informal economy shows that formality is in fact not universally desired. Informal vendors are constantly fighting not just the municipality and its efforts of formalization, but also the discourse that comes behind it. They are contesting the desire of a white-mestizo western city, in which they have no place or right to exist.

While public opinion often echoes the desires and thought of elites, every now and then there is a voice of descent within it which may express a more nuanced perspective of reality. Such is the case of anarcho feminist Maria Galindo’s opinion column entitled “My house without a husband, my job without bosses” (2017). In her column, Galindo exposes the fight over space between the municipality and informal vendors, women in their majority. She explicitly calls out the municipality of La Paz for defending the needs of the white, male, collar workers, instead of the needs of the rest of citizenry. She recognizes that many informal vendors who are women occupy the space not only as a mean of economic survival, but also as a space in which they can be who they are without prejudice, where they can work alongside with their children, where they can chat with their friends, and just be. Mercados, for Galindo are small paradises were being a woman is not an act of defiance.

Galindo’s column brings a new perspective in which informal vendors are not just defending their right to exist in the city but are also defending their way of life. Hence opening the
question of what lies behind the motivations of informal vendors. Could it be possible that mercados are not just economic activities but something more? This is a question that will be further explored in the next chapter.

**CHAPTER 5: Gender, race, and ethnicity in the mercado**

One of the criticisms set forward in the way in which international organizations, policy circles, and governments talk about gender is the reductionism they engage in by viewing femininity only as a biological difference (Galindo, 2014). In this work I challenge this over simplistic reading and attempt to understand womanhood in the mercado in a more comprehensive manner. This, however, is easier said than done. Being a woman in Bolivia can entail vastly different experiences. As womanhood is dependent upon a variety of other factors like race, ethnicity, locality, class, sexuality, etc. Therefore, in this chapter I seek to explore the intersection of gender, race and ethnicity, in the context of informality. Exploring said interaction is of course a daunting task, and that is not the purpose of this work. Nonetheless, by understanding how these categories unfold, even if in a somewhat superficial manner, it may bring new light into the informality debate and debunk some of the preset assumptions set by the informality discourse.

*Mercados de mujeres*

During my fieldwork I temporarily shadowed, three weeks approximately, saleswomen of a clean and cosmetics importer company, Tazmi Inc, which belonged to the family of a close friend. I was assigned with two saleswomen who were in charge of informal mercados in La Paz and El Alto. The job of these women consisted in visiting different stall and store owners in mercados to offer Tazmi’s products. They had “rutas”, stablished routes to sell products, and I was going to
accompany them along the way. The two saleswomen I was assigned to, were Jacinta and Zenobia. Jacinta had been working at Tazmi for over 15 years and had overseen the informal mercados all along, she had work at both La Paz and El Alto but had been recently reassigned to El Alto. Zenobia, on the other hand, had been at Tazmi for 5 years and had started as the saleswoman for El Alto but had been recently switched with Jacinta and was now overseeing the mercados of La Paz. Coming as a family friend of the boss, during my first days with Jacinta and Zenobia I could sense their distrust of me. So, I asked very few questions and I kept most of my research work to observations and casual conversations.

Strolling down the different mercados of El Alto and La Paz it is impossible not to notice the dominant presence of women. In the first three days that I accompanied Jacinta, out of all the 26 vendors we visited only three were men. It is worth noting that in most cases we had to speak with the owner of the store or stall, because only she would know what to order, how much to order, and if they could afford it. This meant that it was safe to assume that almost all the stores and puestos were female owned. Alongside the high presence of women, the other observation, obvious to me but not necessarily so for someone who is not from Bolivia or the Andes, was that most of these women were cholas. I say it’s obvious to me because growing up in Bolivia I have normalized the presence of cholas in mercados to the point that until the arrival of Evo Morales I mostly only associated cholas with mercados. These facts, the presence of cholas and my normalization of their presence in mercados, speak volumes of the racial and gender structures that have governed and continue to govern Bolivian society.

I was able to observe the implications that womanhood has on mercados on a variety of occasions during my fieldwork. Some were easier to pick up on than others. For example, the
presence of single mothers who need to take care of their children was readily on display by the high presence of children accompanying their mothers in mercados. Nonetheless, others like the sense of comradeship, were harder to explore because I was, at least initially, a stranger. To transcend this divide, I realized the first wall to be broken was that between me and my guides. As mentioned earlier, nor Jacinta or Zenobia, felt fully comfortable around me because of how I had been introduced to them.

To earn their trust, it was important to establish that I was by no means an extension of their boss or that because I belonged to a different socioeconomic class that I needed special treatment. Two things that helped me get rid of that image were my ability to work alongside them, I may not have been there to help them do their job but whenever an opportunity to help presented itself I was ready to step in, and my willingness to gossip. Gossip has been an important method to form bonds of intimacy and trust among women (Van Vleet, 2003; Dreby, 2009). Indeed, as both Zenobia and Jacinta got to know me better and we started sharing stories we soon engaged in gossiping. On one occasion for instance, Jacinta told me about the time my friend had to work as a cargo lifter as form of punishment from a birthday party that had gone wrong. I knew exactly which birthday party she was talking about, but I had never heard the punishment part and she never knew why he had been punished so we had a good laugh when we exchanged stories.

I bring forward this trust building experience because my ability to earn Jacinta’s and Zenobia’s trust completely changed the way in which we approached the vendors and related to them. While at first, we had done an average of 10-14 visits per day now that we had established a bond, I noticed we were now doing 4-7 visits. This was due to the fact that the visits were longer as both Jacinta and Zenobia felt more comfortable around me and would stay and chat with their
vendors. Even the vendors behavior changed, now that they could sense Jacinta and Zenobia were ok with my presence, they would be much more welcoming and did not mind telling personal stories in front of me. Suddenly each visit became a window into each of this women’s life as they shared the happenings of their lives with Jacinta and Zenobia.

Although Jacinta and Zenobia were not mercado vendors per se, to be successful at their job they needed to establish strong relationships with the vendors. This was specially stressed by Zenobia who had been recently assigned to La Paz. “At first everyone hated me, they wouldn’t talk to me, all because they thought I had taken Jacinta’s job away from her, but I am a cheerful person so little by little I earned their trust.” Zenobia’s experience is telling of the importance that vendors give to their interpersonal relationships. Since the vendors had established a previous relationship with Jacinta their sense of loyalty towards her caused them the need to punish Zenobia because they perceived her as a threat to Jacinta. According to Zenobia, some vendors would not buy from her even if they had run out of her products. Placing relationship over business clearly shows just how important relationships are within the mercados. Zenobia told me that the vendors were very protective of each other and of those who they considered to be their friends. She particularly highlighted this with the fact they were women. She told me “That’s how it is. As women we have to take care of each other, that’s why I didn’t get mad either. I knew they did it to protect Jacinta because they cared about her, but now they care about me too.”

This sense of caring and comradeship was also easy to spot in the interactions Jacinta had with her vendors. Jacinta’s conversations with the vendors were often very personal, they would talk about their kids, their husbands’ bad habits, financial struggles, problems with the municipality, etc. One specific conversation, with a vendor named Jackie, was particularly telling.
Jackie was a vendor at the Tiwanaku street, a mercado de calle, of El Alto, Jacinta told me she was a single mom and that once she found out she was pregnant at 16 she had to start selling in her aunt’s store in order to pay for her expenses. She had managed to finish school, but it had taken longer than expected as she could no longer take the full-time morning school shift. She was a good seller, so her relatives decided to help her out and lent her some money to rent the store she was now selling of at. She had met Jacinta while working at her aunt’s store and they had become good friends, so when she opened her store Jacinta helped her get Tazmi products on loan, so she could start out with a good stock.

Upon arrival to Jackie’s store, I noticed right away that almost all the products she was selling were from Tazmi. Once she saw us, she invited us inside the store and gave us something to drink and told us to take a seat. Jacinta asked how she was doing, and she started talking about her son and showed us some recent pictures she had taken of him. Jacinta then asked him about the boy’s dad, to what Jackie responded “nothing, you know how it is, sometimes I hear things about him, I think he may have another kid now, but I don’t care anymore. Right now, I am focused on this store, do you like how I set it up? I finished it yesterday.” Indeed the store looked very well organized, so Jacinta and I praised her on it. Happy to hear that, she brought out a liquor bottle and poured some of it on the ground then took a sip and passed the bottle to Jacinta who did the same and then passed the bottle to me. I did as I saw and then Jacinta told Jackie “Don’t worry, I am sure this store will work out for you” to what Jackie responded “Yeah, right? I hope so, now tell me how it is going for you?” Jacinta told her she was trying to sell enough so she could earn a bonus and go back to her pueblo for the festivities of Tata Santiago. Jackie quickly told her that if
she needed an extra order to reach her goal, she would help her out. Jacinta responded that there was no need, she didn’t want to burden her.

I highlight this interaction with Jackie for many reasons. First, because Jackie is a good representation of the realities than many women in mercados face (Quispe Alvarado, Tonconi Mamani, & Mamani Canaviri, 2011). She is a single mom who wasn’t able to finish her studies on a normal schedule and that sees mercados as her means to sustain herself. Working at a mercado also gives her the flexibility to take her of her son and be present in his life as much as possible.

Moreover, mercados are not only spaces where one can make a living but also a place of community. In an article published for local newspaper Pagina Siete (2017), journalist Ivone Juárez tells the story of the “pelapapas” (women that peel potatoes for the food courts in mercados). In her article Juárez highlights that while these women may have initially gathered there to make an income, overtime the pelapapas job became almost a support group for women who had endured many difficulties throughout their lives. As one of the pelapapas states “I distract myself here, remembering so many things, my mom, my husband, but especially my son, who died a year ago.”

When I first went to Tazmi’s office, I was introduced to the sales team made of two men and two women, the men were in charge of the formal vendors and the women of the informal ones. At first, I wondered if the gender division was just a coincidence, but after spending time selling with Jacinta and Zenobia I could see it was not. In my interactions with the informal vendors in mercados of La Paz and El Alto I noticed that while Jacinta, Zenobia and I, were there to make sales, we also were there to check on friends. Often times the topic of money and products took a back sit, many of the vendors who were good clients of Jacinta and Zenobia would offer to buy just to help them reach their goals. Mercados in the Bolivian Andes are spaces that have been
historically occupied by women. Yes, there is an important economic aspect to this, but spending

time with these women I realized that mercados are far more than just spaces where one can make

money. They are spaces were one can make friends, share stories, and have a space where they

feel comfortable.

*Ethnic practices and race as decision factors*

As I became more familiar with the vendors in the different mercados, and as Jacinta and Zenobia

felt more comfortable with me, I noticed a change of behavior from the vendors. Beyond the longer

conversations I was now part of, I started noticing some particular behaviors that came along with

it. In more than one occasion, vendors would share with us a liquor drink as we came in. It wasn’t

much, they would only pour a little liquor in a glass and pass it around, but not before pouring some
to ground. This practice, commonly known in Bolivia as ch’alla, is a traditional ritual

originally used among Aymaras to thank Pachamama, mother earth, for a good harvest.

This practice has transcended its agricultural origins and has become common practice through the Bolivian Andes and in particular within mercados. No longer just associated with a
good harvest, vendors nowadays use ch’alla as way to ask and thank for economic prosperity
(Yampara, Mamani, & Calancha, 2007). Ch’allas can be small, like the ones I participated in when
visiting the vendors, or big and lavish fiestas when the vendor has had good fortune and made
good money in a given year. Both ch’allas and fiestas, lie within the philosophy of ayni, an Aymara
concept of reciprocity, whereby if one receives one must give back.

Ch’allas were not the only ethnic practice I witnessed while doing my research. Perhaps
the most important practice I witnessed was the use of the ayllu structure for business purposes.
The ayllu, a governing organization that is set around family ties between its members, gave informal vendors a social structure from which to build upon and further increase their businesses. This structure while not intended for commerce turned out to be a great ally for access to credit as well as commerce techniques such as product differentiation. In 2011 it was estimated that at least 75% of small business owners used family and friends’ connections in order to obtain access to credit (Mamani, 2011). I will delve more in the uses of ayllu in the following chapter, for now suffice to say that it is a structure of great importance in the rural and indigenous areas of the Andes and that it has also become a key part of mercados in La Paz and El Alto.

The environment that mercados offer to practice ethnic practices that are not seen as out of place is of high importance to informal vendors. During one of my ruta days with Zenobia in La Paz, I asked her about the mercados populares of Zona Sur, a historically affluent neighborhood in La Paz. She told me that some of those stalls and stores were actually handled by the formal salesman of Tazmi. I wondered if maybe this was due to the location, Zona Sur does have a higher concentration of formal businesses and a smaller presence of mercados than other areas in La Paz, so it would make sense for the formal salesman to do both in the area. She told me it was partly that, but it was mostly the fact that many of the informal vendors had their formal counterparts so Tazmi sold to them in bulk.

She told me about some of these clients, but she particularly made emphasis in the case of Doña Cynthia, the owner of a liquor stall in mercado popular Achumani. While Tazmi did not sell to her, but her case was very well known, and she was an important figure within the mercado scene in Zona Sur. Doña Cynthia had started with a stall in the mercado and had been successful with sales mostly because of her willingness to stay open until late hours. She had managed to
accumulate so much capital that she eventually opened a liquor supermarket that now her daughter managed. “Doña Cynthia is the one that owns the supermarket, but she still sells at her stall in the mercado and she makes a lot of money I would even dare say more than in her supermarkets.” When asked if this was common, she replied to me “you would be surprised by how many (formal) businesses have their stalls in mercados and most of the owners prefer their stalls.”

I had an idea of why Doña Cynthia would prefer her mercado stall over her liquor supermarkets, but I asked anyway. Zenobia upfront told me that it was because she probably felt more comfortable there. If informal vendors feel more comfortable at their mercado stalls and had good sales there, then why would they open a supermarket? Zenobia once again was pretty direct “you know how people in Zona Sur can be, they like to buy from supermarkets instead of mercados and mercado vendors are not just going to miss out on that money, I bet some of those cholas have even more money that those jailones.” She further explained an added “I mean I understand her, my mom wears pollera (i.e. chola), and even if I am not one, I have suffered much from discrimination, my former husband’s mother always treated me poorly because of this, she called my mother dirty and uneducated, people still think like that you know?”

Up until the point in which Zenobia told me about her mother, she had not mentioned Doña Cynthia was a chola. As I have mentioned before, the informality discourse has effectively racialized the formal and the informal economy in the Bolivian Andes. Mercados are heavily related with cholas who in turn are linked to indigeneity and rurality. The power relations, that have resulted from this have established a hierarchy whereby women who ascribe to their indigeneity are still discriminated. Zenobia’s statement about being discriminated against for her mother’s background clearly show this. Nonetheless, this discrimination is not something readily
acceptable, as Zenobia’s statement about Doña Cynthia’s economic power being higher than that of jailones, term used to describe mestizo middle- and upper-class people, exposes a sense of resistance against the preconceptions of mercado women.

Conclusion

Economic gain is certainly an important factor when making decisions in Bolivia’s informal economy, however it is not the only factor that is considered. As my fieldwork confirmed, mercados are spaces that can offer many opportunities formal spaces cannot. For women, it offers a space where they can build networks and community. Likewise, it can offer them flexibility to deal with the complex realities of women in Bolivia.

Mercados, also offer spaces where informal actors can continue with ethnic practices from their rural and indigenous identities. Not that this wouldn’t be able to be done in a formal environment, but the fact that these practices are the norm and not the exception in mercados make them much more comfortable space to put forward this identity. Linked to this is the racialization of mercados that can offer more welcoming spaces. Hence while cholas de mercado like Doña Cynthia may have the economic means to own formal businesses they choose to not occupy those spaces as they may feel out of place. The mercado on the other hand where the chola is staple is not just a place that can offer comfort but also one where women can assert leadership and empowerment (Quispe Alvarado, Tonconi Mamani, & Mamani Canaviri, 2011). Thus, while economic gains are a vital reason behind choosing to stay informal, there is much more that TPMIs numbers can’t measure.
CHAPTER 6: Is formality the only path towards development?

The strongest aspect of the informality discourse is the accepted notion that formality is needed for development. However, having lived and done research in Bolivia I question this statement, as my fieldwork seems to indicate there are other paths. This is not to say that the development that can take place in Bolivia is that which TPMIs and governments envision. Quite the contrary the development and growth that I witnessed in Bolivia disrupts this vision. It is something of its own, a development that has been shaped as a result of informality. In this chapter, I attempt to illustrate the transformation and impact that informality has had in shaping cities like El Alto. If La Paz was a good example of how the informality discourse can operate, El Alto is a good example of how the informality discourse can be disrupted. This is why in this chapter I will mostly talk about El Alto and the experiences it has had with informality. Ultimately, I seek to show how development, albeit an alternative form of development, can be achieved through informality.

Poverty as a result of informality

On one of the days I was assigned with Jacinta she brought my attention to a particular client of hers. While we were waiting for one of her clients to bring out the money she owed. Jacinta told me “don’t be too obvious, but do you see that miserable woman selling over there?” She pointed towards a chola selling cleaning supplies over a sheet of plastic on the walkway of a large building in front of two closed stores. “Yes” I said. “Well do you see that building on her back? That is hers and she owns another one just as big a few blocks down” I looked again, and the building was, unlike many buildings in El Alto, a finished building, it had strong colors and was by all accounts a new building. I wondered why someone would sell out on the street on top of a mere plastic sheet
when they owned such a nice building with two stores underneath. I was about to ask the question when Jacinta told me “let’s go, she is a good buyer” We went over to the woman, Jacinta addressed her as Doña Petra. They were low on one but had plenty of the other. Doña Petra looked at Jacky in a somewhat smug way, took a few second to think and then said “I shouldn’t be buying right now, sales are low, but I will help you” Shen then made her order, which was large compared to other orders we made that day. Jacinta quickly took note thanked Doña Petra and we went on.

This particular encounter was very informative because of the preset assumption that Doña Petra was “miserable” (i.e. poor or stingy) when she in fact was not. One of the strongest tenants of the informality discourse is that of poverty. All school of thought agree on this, poverty is a byproduct of informality (Chen, 2012). It would be naïve to deny that poverty is indeed strongly related to informality, however this should not imply that it is only related to poverty and that it can also be related to wealth. Proof of this is the rise of what some scholars have called the cholo or indigenous bourgeoise (Financial Times, 2014). This emerging economic class is powerful. They have purchasing power to the point they are able to buy houses, in cash, in traditional elite neighborhoods just for sake of owning them as they don’t necessarily live there (Filomeno, 2016). They also have political influence and have the power and desire to shape society around them (Telleria, 2013). This new bourgeoise class in El Alto comes directly from the informal economy, but how were this families able to accumulate these amounts of wealth if informality is meant to yield low production and slow growth?

As I mentioned earlier, I have been an avid mercado goer from a young age, as such I have developed many relationships with vendors who I often buy from. One of these vendors, Marco C, who sales American clothing in Feria 16 Julio in El Alto, would often tell me he would get me
more buying options from his sister’s stall whenever he didn’t have something I needed. Before this research project I didn’t pay much attention to Marco and his sister methods to supply each other in order to keep customers like me to come back. However, doing more research on the subject I realized that Ayllu structures were behind Marco and his sister shared business practices, and they were but a small fraction of a complex family business structure.

Since I often bought from Marco, I was able to ask him more questions about his family and how they went about business. He told me that his family was originally from Oruro, his mother had been the one to start selling second hand American clothing and had gradually grown. Seeing the possibilities slowly but surely all her children started joining the family business. They specialized in different products. Marco, his mom and sister, sold imported American clothes while his brother and younger sister sold toys and plush toys. They also had presence in different mercados in Bolivia, Marco and his younger sister sold on Feria 16 de Julio on Thursdays and Sundays, Marco’s sister and his mother sold in Oruro on Tuesdays and Fridays and Sundays, Marco’s brother sold on Thursdays in Santa Cruz alongside Marco’s sister who would also sell in Santa Cruz’s Feria Cumavi.

As if this wasn’t enough, when I visited Marco’s sister stall in Feria Kantuta in Oruro I was informed that the family business was even larger than originally told. I was looking to purchase a winter coat, but the sizes in her stall were too small for me. She told me to wait and ran to get me the jacket I wanted in a larger size. When she came back, I asked where she had gone and told me she went to her cousin’s store, she also sold similar merchandise. I asked more about it and Maria told me they weren’t really cousins, but their parents were compadres, so they were like family, her real cousins were in the feria, but they sold shoes not jackets.
Marco’s family experience is a common one, when visiting different stalls in El Alto and La Paz’s mercados we would often skip many. When I asked why we were skipping so many stalls, Zenobia told me that it was because they belonged to the same families who bought in bulk hence, we had to go after the family head to get the product orders. Scholars have often highlighted the use of family structures in the Andes in order to have a larger market presence and diversify their business (Tassi et al, 2013; Leon et al, 2003). Even when blood family is not enough, informal vendors turn to practices like compadrazgo, were they create artificial family bonds. Informal vendors turn to family for business because there is a pre-established bond between them and thus there is trust involved too.

Large market presence and diversification of products is one way in which informal vendors have incremented their money-making possibilities, but it is not the only one. One aspect of informal vendors is their constant contact with their clients. This relation results in a know-how of client buying habits, tastes and dislikes, that large formal businesses do not necessarily have. Aware that their customers had specific needs that were not met Alteños started designing their own brands and products and sending them to China so they could be produced. For example, seeing the need for wrapping paper with traditional Bolivian designs, a group of informal vendors decided to send Aguayo designs to China and buy gift wrap in bulk. The Aguayo gift wrap was a success and has now become a staple in many mercados in La Paz (Peralta, 2015). The gift wrap is innovative and good example of know-how at play but not the only one. Informal vendors are aware of customers use of social media and have also started using this medium to make offer their products. While payment does not take place through the internet, customers still have to
physically go to the different mercados, this new way of selling products has further grown mercados presence and given informal vendors more opportunities to sell.

The ability of informal vendors to use family structures and know-how of their market composition has allowed them to articulate massive mercados that are able to move large sums of money and complex national and international networks. A clear example of the thriving commerce of El Alto is the Feria 16 de Julio the largest and most important feria of Bolivia. Ranging from used clothes, imported from the Unites States, to endangered animal species for sale, La Feria de El Alto, can provide its customers with about everything that comes to their mind. This unprecedented feria has given place for important wealth accumulation in El Alto. In this feria, today one can find the most famous American brands both second hand and new, making it perhaps an even more international mercado, for its product offer, than its formal counterparts.

It’s important to note that Feria 16 de Julio doesn’t happen in vacuum as it is the product of what Tassi calls globalization from the bottom up (Tassi, Medeiros, Ferrufino, & Rodríguez-Carmona, 2013). In this type of international integration, globalization does not come from the hands of big multinationals directly, but rather from the informal merchants who see a business opportunity in all the left overs developed countries produce yearly. While the sales of second-hand clothing may seem marginal to some, this is in fact a large business that impacts the economies of many countries. Thus, making Feria 16 de Julio not just a local feria but a global one.
I was able to observe this internationalization of Bolivian informality. Tracking the flow of products informal vendors sell in the mercados, I went to Iquique, Chile, and the Bolivian border with Peru, Desaguadero. In both of these borders I was able to appreciate the influx of Bolivian informal vendors. On my way to Iquique, I sat by an informal vendor that had gone to Iquique to buy more merchandise. We had a long conversation and I was able to ask some questions. He told me he traveled to Iquique at least 4 times per month while her wife looked over their stall. When I asked him if this was common among vendors he told “of course! you will see when you get there, I would even dare say that Iquique works for us.” Indeed, when I arrived in Iquique, one of the closest port cities to Bolivia, many stores near the port would have signs that read “Bolivian currency accepted.” Likewise, many restaurants offered Bolivian traditional food options. If that
wasn’t enough, on my last day in Iquique I grabbed a newspaper that highlighted the importance of Bolivia commerce for Iquique’s economy.

The business practices of informal vendors show that informality is more than meets the eye, at least in the Bolivian Andes that is. The observations I made while in Bolivia, Chile and Peru show that informal vendors are not only able to articulate large mercados like Feria 16 de Julio, but they are also able to transcend national borders and take part in the global economy. Showing that while at first sight a stall in the middle of the street may seem “miserable” there might in fact be much more behind it.

*Informality as an identity shaper*

Informality has had a significant economic impact in the development of the city of El Alto, but this is not the only area where it has had an impact. As a result of the economic empowerment of informality, El Alto saw changing attitudes in its residents. Perhaps one of the most talked about and certainly one of the most fascinating has been its new Andean architecture. In what some have deemed an inhospitable city, due to its high altitude (approximately at an elevation of 4000 m) and its cold weather, Alteños are now establishing their presence louder than ever before with their new homes (see fig. 7). I highlight this new trend in architecture, because not only is this a direct result of the wealth that informality can create but also because it is representation of identity. An Identity that was not always welcomed or accepted in Bolivia, informal vendors from El Alto have claimed it back and push forward with it a new understanding of what growth and development may look like.
Alteños have contested their identity in a variety of ways throughout the history of their city. As previously discussed, they contested ways of doing business by incorporating their Aymara practices into capitalism (Lazar, 2008). The same applied to Andean Architecture and the famously called *cholets*, a mix of the word cholo and the word chalet. The introduction of these buildings into the scenery of El Alto was perhaps the final statement that made it clear for everyone that El Alto no longer wished to be La Paz nor did it need it. Thereby, rejecting its aspirations and
notions of what it means to be wealthy and how this can be expressed. Hence this architecture has come to make evident that rich Alteños no longer seek La Paz in order to demonstrate how well they are doing. Moreover, if in the past social mobility meant moving from El Alto to La Paz, informal vendors rejected this by instead choosing where they had grown and held their businesses and thus keep their wealth in El Alto.

The importance of choosing to stay in El Alto speaks of power contestation where Alteños no longer deem necessary shedding their indigenous background in order to have upward mobility. In the past an unspoken requisite of moving to La Paz was to shed one’s traces of indigeneity, so for example while a mother who moved in to la Paz may have kept its pollera her daughter would certainly not do so, as polleras were seen as El Alto thing. Locality has also been important to El Alto for other reasons (Lazar 2008). In terms of this Andean architecture, even the name points out how its style is particular to place. While there are styles of architecture that have been globalized, the particularity of neo Andean architecture is that it is its locality what sets it apart and brings validation to it. Yes, if put elsewhere the architecture would simply be called kitschy, however, its locality in El Alto surrounded by context of cholos and cholas is perhaps what make this architecture Andean.

These buildings however are not just representations of identity, they are also ways to produce more. As it has been mentioned before, productivity is highly important for Alteños thus they believe that their houses should not only fulfill a living environment space for themselves but also a source of income (Durán, 2007). This is why most of the buildings in Neo Andean architecture follow the following structure. In the first floor, space available for stores, the second floor a saloon for events, the third floor a racquet ball court or a futsal fields, and on top of it all
where the sun hits the most, the house of the owners. In an interview with Freddy Mamani for The Architectural Review, he states that within Andean cosmovision “everything has life, that is why everything has to generate”. In his statement we can see how the owners adhere indigenous beliefs to the buildings by making them living things and urban beliefs as well by linking this life to productivity.

Beyond architecture, the wealth produced by informal vendors is also expressed in the lifestyle of the cholet owners. Cholets, have become associated with a number of things among which I would like to highlight one aspect in particular, women’s fashion. Most of the female owners of cholets are cholas. As said earlier this new cholo bourgeoise prides itself in the fact that they need to ascribe to preset notions of what it means to be wealthy. Hence, their female owners pridedfully show their polleras and braids. Not only that, but they have elevated what it means, and costs, to be a chola. With prices ranging from $300,000 to $600,000 being a chola is no longer something to be associated with low income status only.

The changing discourse of politics have also led the buildings to become a source of national pride, with several national news shows showing of the architecture, and therefore of tourism, making El Alto a destination of its own with plenty to showcase. Moreover, the attention that cholets and cholas have received in the last decades has further portrayed the image of Bolivia as an Andean country with cholas as one of its main characteristics. This Andean image precedes the cholo bourgeoise time but where once before this imagery was associated with poverty it is now associated with wealth. International media outlets like National Geographic (Kefee, 2016) and Vice (2017) have done reports on cholas, their expensive garments and lavish lifestyles.
Cholas have become a cultural icon abroad which has also influenced how Bolivians wish to see themselves.

El Alto has gone from a periphery city to a cosmopolitan city of its own capable of captivating the attention of many. Where once they had construction workers, now they have worldly renowned architects. Where once they had pollera makers now they have fashion designers that can showcase their clothing on international recognized stages like the New York Fashion Week (Little, 2016). This foreign attention has not been unnoticed by traditional elites who now seek to emulate and appropriate these trends. What was once rejected in La Paz for its indigenous background is now a source of curiosity. Prestes have captivated young audiences and now we have seen the rise of electroprestes, a mix of the words electronic (as in electronic music and preste) that are now the new trend among the youth (Sanchez, 2019). Environments and objects characteristic of mercados are the new vanguard in cuisine and high-end restaurants (Pau, 2017). Showing that the culture created by informal vendors has even been capable of transforming the wishes and desires of the overall society.

While new forms of indigeneity have been created, these expressions are only to be directly enjoyed by some, and still reproduce power dynamics of class based on income. As De la Cadena (2000) points out, economic attainment has been a way in which mestizos in Peru, cholos in this case, have contested their social position, however also a way in which they have reinforced the existence of social hierarchies. Nonetheless, the proposal of new ways of imagining Bolivian society are strong and definitely more inclusive than those before. In a short video documentary, from AJ+, Teresa Huayta an Alteña Chola who does show wrestling as a means of economic solvency, addresses this “we are still lacking much economy, but at least now I can wear my
clothes with much pride.” While Teresa may not necessarily represent the most economically disenfranchised, her statement carries with it a truth that can now be felt all across Bolivia. Economic access is still problematic, and it will most likely continue this way, however, there is a strong sense of empowerment in women who like Teresa can now proudly wear their clothes and feel society is now built for them as well.

Conclusions

When Jacinta first pointed out Doña Petra as “that miserable woman” she was appealing to the built notion that cholas belong to a low economic status. This assumption made by Jacinta and by when questioning why someone with money would sell at a stall like that was the informality discourse at play. A discourse that has built racialized notions of what wealth looks like and what poverty looks like in the Bolivian Andes. By doing this, the informality discourse minimizes and obscures the true impact that informality has for the economy and society as whole. It prevents the realization that in fact, informality can be highly productive, it can produce wealth, and it can even create robust growth.

Ultimately, the contributions of informality must be considered and not simply put to the side. Once a closer analysis is done, one can find that the strengths brought from the informal economy are many and that perhaps informality is not be surpassed but rather something to work along with. The debate over the importance and effects of informality is one worth discussing as much as possible. Cases like El Alto certainly allow for a different reading that confirms and unveils myths regarding informality. The discourse of informality may point in many directions that tend to obscure the contributions of informal vendors, yet one thing is certain, El Alto, having
been for many years an informal city, is a city that has emerged despite everything and everyone and has done so at the beat of its own drum.

CONCLUSIONS

We were approaching my last ruta days with Jacinta and she was still a couple thousand bolivianos too short from her goal. We started revisiting clients who had said to come back later, but we only sold so much. We were approaching the end of one street when Jacinta’s phone rang. She looked at the caller ID and said “its don Camilo, he always buys a lot from me” She picked up the phone and greeted don Camilo she then pulled out her notebook she quickly jotted down his order. He indeed was making a large purchase, large enough to meet Jacinta’s goal in fact. She then said “you need it by tomorrow night? Don’t worry I will take the order to your place by that time.” She hanged up and cheerfully announced that this was a purchase large enough to finish her goal in time. I then asked who it was and what had he purchase so much of. Unlike before, she looked concerned and dubious about answering, after a long pause she then told me “I just don’t know if you really want to know”.

Is deconstruction romanization?

Throughout this work I have tried to break away from the discourse of informality showing through my research that informality is in fact much more complex than we think. Speaking of informality in positive terms may be contradicting to those that have not questioned what the informal/formal discourse portrays. There is in fact plenty of data to back up this discourse and confirm the narrative it presents. Hence, some could even argue that this work is borderline a romanization of
an economic activity that does in fact present many shortcomings and can hide many unpleasant realities.

When I asked Jacinta, why I wouldn’t want to know, she told me that Don Camilo had made a large order of lubricant for the adult entertainment business he ran. “It’s a horrible place, I have delivered product to him many times and that place is simply disgusting, all those girls, I feel sorry for them.” Because they were buying lubricant, I could only make assumptions on what type of adult entertainment was going on. When Jacinta mentioned feeling sorry for the girls there, I wonder under what circumstance those girls had ended up there. I wanted to ask more, but Jacinta quickly changed the conversation I could tell it made her quite uncomfortable.

While the informal economy is not necessarily illegal, there are many places in which they overlap. Jacinta’s experience with Don Camilo is just one of many activities that may go unnoticed because there is no formal regulation within informal activities to raise red flags when certain happenings are taking place. Not only are illegal activities worrisome, but perhaps more the labor conditions of many informal vendors are also something to be concerned about. While women may have more flexibility or support network, there is also no denying that informal labor can also lead to overwork and sometimes even abuse (see fig. 8).

I am aware of all the problems that still remain unaddressed within informality, many of which are very present in mercados. Nonetheless, I still think it is important to rethink informality from other perspectives. Looking at the evolution of informal vendors and what this has implied for the economy, the political, the cultural and even the racial aspects of Bolivia the transformative force of informality cannot be denied. Romanticizing is to ignore negative realities in favor of
going through with an argument and is indeed poor scholarship. However, if doing so is not good, wouldn’t ignoring and invalidating the contributions of informality a disservice as well? For decades TPMIs have concerned themselves with the issue of solving informality and while finding answers is important rethinking the questions is also vital to good scholarship.

Figure 8. Cartoon highlighting the issues of informal labor. (Abecor, 2015)

Drifting apart from the discourse of informality

The main goal of this work was to challenge the discourse of informality, along the way I discovered many authors that have done so and that have even gone a step further by proposing new ways in which to conceptualize this rebellious and stubborn economy. In their book, La Economía Popular en Bolivia: Tres Miradas, authors Nico Tassi, Alfonso Hinojosa, and Richard Canaviri, leave the informality discourse to the side and talk instead to the popular economy. No
longer do they ascribe to the formal/informal dichotomy that automatically disqualifies informality. Instead they opt to use the word *popular*, a word that has many meanings but that in an economic aspect many authors have tried to describe.

The popular economy has been described as the set of economic activities carried on by poor and excluded groups of society to satisfy the basic need of people and their families (Ortiz, 2013). They have also pointed out to its solidarity component as basis to understand it were those involved do not seek enrichment or accumulation (Pereira, 2015). Moreover, they stay away from marginalizing this economy by recognizing that while it may not have a significant productivity it is an important contributor to the overall economy (Coraggio, 2013).

Tassi (2013) further expands this concept in the Aymara world by identifying the following characteristics. First, the use of family bonds for the control of commercial spaces locally and even internationally. Second, the use diversification, geographic mobility, and family networks to reduce risk. Third, the flexibility to navigate critical situations, i.e. the willingness to change business type when needed. Fourth, the flexibility to adapt to global markets and insert themselves in them. Lastly, the lack of rigid specialization in their functions. I was able to witness, in varying degrees, many of these characteristics pointed out by Tassi, thus showing his analysis to be accurate.

The development of a new term for what I have denominated the informal economy in this paper is an important first step. As I have argued, the dichotomy set forward by the informality discourse creates a balance of positives and negative that ultimately obscure many aspects of informality. Moreover, the use of new language to describe these economic phenomena allows to
expand it and rethink its meaning. While I do consider that some of the above tenants of the popular economy need to be further explored. For example, the idea that vendors only engage in economic activities for the sake of satisfying basic needs only and not to accumulate seem quite contradictory to what I observed in El Alto with its rising bourgeoisie. Nonetheless, I find that the ability to rethink and reimagine economic processes that the theorizing of the popular economy offers to an exciting prospect for Bolivian studies.

*More than just a mercado*

During one of my last days in La Paz I went over to a friend’s house to say goodbye. I arrived earlier than expected and he was not home yet, but his 6-year-old sister, Olivia, was happy to see me and asked me if I could play with her while I waited. I agreed and asked what she wanted to play, to which she immediately told me “a la tiendita.” She took me to the entrance of her room and told me to wait, she closed the door and quickly came out with a small purse and play money in her hand. She handed it over to me and told me “You are going to be my casera” I laughed at the statement and proceeded to enter her tiendita. She had lay out all her play jewelry in top of her bed and had folded her doll’s clothes as well. Before my friend arrived, me and his sister had played tiendita 4 times. Each time similar interactions took place but there were some differences on each. In one she pretended to be a casera that brought merchandise from abroad. “I brought this from Brasil” she told me. In another she took out more doll’s clothes and we pretended I had come back again to buy all her “novelties” that she was pulling out just for me because I was her casera de siempre.
This interaction with Olivia, a 6-year-old girl that was raised in an affluent neighborhood in La Paz, is a good example of how embedded and normalized informality is in Bolivian culture. The language used by Olivia was the language of mercados. Not only was Olivia reproducing behaviors that she has probably seen many times while shopping with her family, but she was in a way celebrating them as well. In her way of offering me products I could tell she was very proud of how much detail she had put into her tiendita. Moreover, she thought of these practices, calling me a casera, offering products she had brought from abroad, as being business savvy. Thus, showing that informality is not just a way to make money, it is much more than that. It is part of our culture and our understanding of day to day interactions. So much so that even a 6-year-old has been able to pick up on and reproduce it in her own way.

The informality discourse tells us informality is something that countries ought to fight and overcome, but what happens when informality is so engrained in our way of being? Can someone that has been raised here, like I have, seriously imagine La Paz or El Alto without its mercados? In a conversation I had with author Nico Tassi while doing this research, he pointed out that Bolivia has often been too concerned with what it wants to become rather than with what it is. Implying that Bolivians too often overlook their own achievements in their attempt to fulfill standards made for others. I find his words to be quite telling, especially having been raised in the environment I was raised in, I was often told a narrative in which Bolivia had a long way before it could be better. Never had I actually stopped to think that maybe that better was a better thought by someone else for someone else. Doing this research, I have witnessed the potential of informal vendors and I have come to see this phenomenon under a new light. Thus, allowing me to challenge not just the discourse of informality and that of development, but also that of Bolivia itself.
BIBLIOGRAPHY


