

THE INFORMAL ECONOMY AND EMPLOYMENT IN BRAZIL

Latin America, Modernization, and
Social Changes



Diego Coletto



The Informal Economy and Employment in Brazil

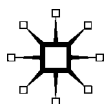
This page intentionally left blank

The Informal Economy and Employment in Brazil

Latin America, Modernization, and Social Changes

Diego Coletto

palgrave
macmillan



THE INFORMAL ECONOMY AND EMPLOYMENT IN BRAZIL

Copyright © Diego Coletto, 2010.

All rights reserved.

First published in 2010 by PALGRAVE MACMILLAN® in the United States - a division of St. Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Where this book is distributed in the UK, Europe and the rest of the World, this is by Palgrave Macmillan, a division of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries.

ISBN: 978-0-230-61817-6

Library of Congress Cataloging-in-Publication Data

Coletto, Diego.

The informal economy and employment in Brazil : Latin America, modernization, and social changes / Diego Coletto.

p. cm.

ISBN 978-0-230-61817-6 (hardback)

1. Informal sector (Economics)—Brazil. 2. Labor supply—Brazil.

3. Social change—Brazil. I. Title.

HD2346.B7C65 2010

330—dc22

2010013861

Design by Integra Software Services

First edition: October 2010

10 9 8 7 6 5 4 3 2 1

Printed in the United States of America.

To Graziella and Claudio, with love

This page intentionally left blank

Contents

List of Tables, Figures, and Photos	ix
Acknowledgments	xi
Premises	xiii
1 The Informal Economy Dilemmas: Old and New Views	1
2 <i>Catadores</i> and <i>Catadoras</i> (The Garbage Collectors)	43
3 <i>Ambulantes</i> and <i>Camelôs</i> (The Street Vendors)	97
4 <i>Sacoleiras</i> and <i>Sacoleiros</i> (Door-to-Door Saleswomen and Commercial Agents)	151
5 Informality, Regulation, and Development	191
Appendix	211
Notes	217
Bibliography	245
Index	261

This page intentionally left blank

List of Tables, Figures, and Photos

Tables

1.1	Informal employment in nonagricultural employment, by sex 1994/2000	29
1.2	Informality around the world (relative to total employment, in percent)	30
1.3	Wage and self-employment in nonagricultural informal employment, by sex 1994/2000	31

Figures

3.1	Map of Porto Alegre city center	107
5.1	Linkages between informality and the formal (or regular) economy in the three cases studied	195

Photos

2.1	<i>Carrinheiro</i> in the center of Porto Alegre	55
2.2	Carrinho (wagon) parked along a central street of Porto Alegre	56
2.3	<i>Carroceiro</i> along a street that conducts to the Porto Alegre outskirts	57
3.1	The <i>camelódromo</i> from an angle	111
3.2	Members of the <i>Associação Feriantes rua dos Andradas</i>	133
3.3	Member of the <i>Associação Feriantes rua dos Andradas</i> outside the South American agro-food trade fair	136
4.1	Sweatshop in the Olaria district	184
4.2	Sweatshop in the Conselheiro district	184
4.3	Informal workers in a sweatshop in the Conselheiro district	185

This page intentionally left blank

Acknowledgments

My greatest debt is to the Brazilian people who welcomed me so openly and kindly. I changed everyone's name to protect individual privacy in this book. In particular, I thank some close friends whom I call Emiliano, Raul, Miranda, Januario, and César in these pages. They guided and helped me in the course of my fieldwork, providing friendly and moral support during the time I spent in Brazil.

I'm grateful to Gian Primo Cella and Roberto Pedersini, who followed my work since the beginning, providing useful insights and detailed feedback during the research project definition, the fieldwork, and the stages of writing. Paola Cappellin was also important, especially during my stay in Brazil. Her suggestions and the support of the Universidade Federal do Rio de Janeiro were crucial in order to realize the fieldwork.

I want to thank the Department of Labor and Welfare Studies and the Department of Social and Political Studies at the University of Milan for their financial support and for providing me with the time and the logistic tools necessary to complete this book. I thank the professors and the researchers of the two departments for their suggestions and valuable feedback. In particular, I'm grateful to Lorenzo Bordogna—who also helped me to organize my time in order to finish the manuscript—and to Enzo Colombo, Giovanni Carbone, and Giovanni Semi, for their suggestions and for encouraging me to believe in myself.

I owe a great deal to Adrian Belton, who did a high-quality translation, often giving generously of his time to provide me with very quick translations. I thank Susanna Chiarenzi, who helped improve the final quality of the text, cleaning up some awkward sentence constructions. I received a constant support and helpful advices from Robyn Curtis, Samantha Hasey, and Erin Ivy—who work, with different roles,

at Palgrave Macmillan—and from Afrin Kabir, project manager at Integra Software Services.

Finally, I want to thank Mara. She could stand me and stood by me in all the months of busy writing. I will always be grateful to Graziella, Claudio, Mino, and Lea, who made possible the start of this long journey.

Premises

Millions of people survive everyday while they occupy, permanently and chaotically, with great enthusiasm and desperation, the streets of the cities of the world's South. In the metropolitan areas of Africa, Latin America, and Asia, streets and sidewalks often represent an "extralegal zone" where a multitude of vendors, artisans, artists, preachers, shoe-shiners, delivery boys, and garbage collectors work and live. Within these zones individual qualities can emerge—talent, creativity, and the ability of human beings to get by starting from basically nothing. "Ingenious" and peculiar local arrangements provide essential goods and services, and often such provision is becoming the only supply of those services and goods for an increasing number of inhabitants of large cities in the South of the world. In this way this "alternative" provision of services and goods deeply modifies some areas of manufacturing, retail, construction, and transport. But the street can also become a place for different forms of exploitation, and it can represent a "gap of legality" where various criminal organizations impose their rule and their social order.

The heterogeneous activities of the street population of the cities of developing countries started to be a focus of systematic analysis about 40 years ago when, for the first time, the term "informal economy" was used.¹ The concept defines a wide range of processes of production and exchange of goods and services that lack one or more characteristics of the formal or regular economy such as trade, fiscal, and labor law and, in some cases, market regulation and profit-oriented attitudes. Over the years, in the economically advanced countries, as well as in those industrially less developed, various theoretical and empirical approaches emerged in order to understand the informal economy. Detailed case studies, strongly linked to the cultural, social, and economic context in which the fieldwork was carried out, have been alternating with attempts to provide a unique and "official" definition of the informal economy. Often the heterogeneity and complexity of the phenomenon—and, partly, the poor knowledge of the

territorial and social context—drew attention to the difficulties and limits of interpretations based on the analytical instruments of a single discipline. In particular, during the 1970s and 1980s, in Latin America and in other developing countries, the main attempts to define the informal economy were essentially based on the formal/informal dichotomy. In several countries, “negative” or “default” definitions of informality seem to prevail (essentially, informal is what is not formal), while explanations differ according to socioeconomic contexts and periods. In this way, the informal economy becomes a “transitory” economic phenomenon or an obstacle to the development process or a functional instrument of the formal part of the economy or, again, an alternative to the dominant model of economic development. In the more industrially advanced countries, instead, the informal economy has often taken the meaning of “parallel,” “underground,” or “illegal” economy. In particular, in the 1980s and, to some extent, in the 1990s, several empirical studies described the linkages between some forms of the “underground economy” and examples of economic advancement based on networks of small- and medium-sized companies.

In general, the first attempts to define and explain the informal economy through dichotomies (formal/informal, traditional/modern, legal/illegal) did not allow for an understanding of the relevant features of informality and its relationship with the formal part of the economy. Therefore, these first efforts did not solve “the dilemma of the informal economy” (ILO 1991), leaving several “blind areas” related to social reproduction processes that create informality, and the shifting boundaries between the two parts of the economy.

While the theoretical debate over informality stalled, without achieving a universally accepted definition of the phenomenon, the informal economy has grown worldwide and emerged in new forms and unexpected places. Processes of rapid economic integration driven by the liberalization of trade, investment, and capital flows, as well as the globalization of production, technological changes, and transformation of the organization and functioning of firms, changed the economic environment worldwide and made the boundaries between the formal and the informal economy much more blurred. Concerns with the decline in the employment content of growth, and the low quality of jobs created, on the one hand, and changing patterns of work under the new production strategies in the global economy, on the other, gave a “new momentum” to the informal economy debate in policy discussions, in both developing and more industrialized countries.

In recent years—even if the data on the informal economy are not comprehensive and there are still a number of problems that limit the international comparability of estimates—new and more accurate surveys and indirect quantitative analyses have shown the increase in informal employment in most parts of the world and its important role as a large source of income for women and men in developing countries. Specifically, according to the last International Labor Organization (ILO) estimates, informal employment comprises one-half to three-quarters of nonagricultural employment in these areas: 48 percent in North Africa, 51 percent in Latin America, 65 percent in Asia, and 72 percent in sub-Saharan Africa. If the informal employment in agriculture is included, its proportion significantly increases: from 83 percent of nonagricultural employment to 93 percent of total employment in India, from 55 percent to 62 percent in Mexico, and from 28 percent to 34 percent in South Africa (Chen 2005). In the same period, especially in the more industrialized countries, some studies have focused attention on the relevant increase of nonstandard employment arrangements. In many cases, the limited access to fundamental labor rights and employment-based social protections (which characterizes nonstandard employment) seems to move closer formal (or regular) and informal employment, making the crossing of workers from one part of the economy to the other easier and more intense.

In the 2000s, therefore, the informal economy reappears in the agenda of many international organizations. For instance, the ILO, the World Bank (WB), and the United Nations Economic and Social Council (ECOSOC) have recently emphasized that in order to achieve the Millennium Development Goals (MDGs) and to promote a fair globalization, it is necessary to build a comprehensive and integrated strategy cutting across a range of policy areas, with a view to eliminate the negative aspects of informality. In particular, the ILO has made efforts to both study the informal economy and emphasize policies that promote the integration of informal economic activities into the mainstream economy. Today, the informal economy is still a “dilemma,” but it seems to be much larger in magnitude and more multifaceted than in the past. To solve this kind of dilemma, the ILO has proposed the development of a more comprehensive approach aimed at achieving “decent work” along the entire continuum from the informal to the formal end of the economy (ILO 2002).

But the renewed interest in the informal economy becomes apparent not only from the agenda of some international organizations. In fact, several new empirical studies were undertaken. In general, they

reveal that there is still a need to address a number of misconceptions about the informal economy, deepening the analyses of the heterogeneity that characterizes informality and its shifting boundaries. Despite the improvement realized in the past, the informal economy continues to be a social and economic phenomenon that is widely known but little understood.

The field research on specific experiences of informal economic activities presented in this book started from some questions on the informal economy: who are the social actors performing the informality? What are, in practice, their strategies for survival? How do they interpret their condition as informal workers and what does it mean to them? Which are the institutions governing transactions in the informal economy? When and how are the resources embedded in the informal economy mobilized in order to favor economic development and social emancipation? Analytical instruments of different disciplines have been used to find answers to such questions, in order to both investigate the point of view of the people operating in the informal economy and analyze the processes through which informality produces and reproduces its forms. During the fieldwork, I used specific tools of economic ethnography (Duffy and Weber 2007; Marcus 1998)—such as participant observation and nonstructured interview—with the aim of understanding the “mechanisms” that regulate economic transactions in the contexts observed. Furthermore, these tools contributed to comprehending how the informal economy is perceived by the social actors who daily live and work in it. Through this approach, theoretical themes and concepts were continuously compared with empirical facts, in trying to comprehend the day-by-day social construction of reality (Berger and Luckmann 1966; Bourdieu 1972).

Consequently, I was part too of the framing of events, observing and describing the specific cases and minor events tightly linked with each other in two different urban areas of Brazil. In the chapters 2, 3, and 4 of this book, I describe the social interactions and daily actions, the fragments of life, and the economic activities of garbage collectors and street vendors of Porto Alegre—the capital of Rio Grande do Sul, one of Brazil’s richest states—and of door-to-door saleswomen and commercial agents of Itapetininga, a town of the big São Paulo state. The first two stories are about workers, men and women, who created open markets, somehow illegally, in the streets and squares of Porto Alegre. Garbage collectors tirelessly walk the streets of the town looking for recyclable

litter and waste to be sold to middlemen, who usually connect the formal and informal circuits of the economy. For these women and men, “poking around” represents a daily strategy for survival. Street vendors, on the other hand, perform their trade activity every day by developing “ways of acting” and strategies according to the space they occupy, and the goods or services they sell. The range of products informally traded seems to be infinite, as are the life stories of the persons surviving thanks to this commerce. In both cases, the urban public space represents the main workplace and, often, the main life place for these persons; it makes them physically visible to the rest of the citizens. At the same time, though, almost paradoxically, they keep being “invisible” workers, without any social and, very often, civil rights. The last story refers to a different urban context and is about women and men who, thanks to strong social bonds, sell underwear door-to-door, which is one of the most popular and flourishing trade activities among the medium-to-low income Brazilian population. Formal and informal rules emerge from the “thick description” of social interactions and daily actions (Geertz 1973). These rules determine the social order and the social factors affecting and guaranteeing the success of economic transactions, stressing that, in many cases, the exchange has social meanings, more complex than the mere economic content.

Through the narrations of life and work episodes, delimited in terms of space and time, I have tried to highlight the processes through which social actors emarginated from the rest of society try to rebuild a life in the informal economy. The narrations pointed out the potential resources of “the other half of the economy” and the ways through which those resources could be mobilized. I believe that this perspective allowed better understanding of the various practical declinations of informality, and its different links with the formal or regular economy. Moreover, it helped to move the focus of the debate from the idea of a unique and continuous modernization process to the awareness that development paths can be different, and these are possible also in socioeconomic contexts in which the informal economy plays a big role. Such an approach moves away from the hypotheses based on a preconception of the informal economy and, through inductive analysis, tries to describe and interpret how economic actions are rooted in a great variety of social and cultural settings, the formal and informal rules governing the relations between social actors, and the resources that individuals are able to activate in order to promote social and economic change. The efforts to identify, describe,

and explain the various and, in some cases, contradictory aspects of informal economic practices can provide, on the one hand, some interesting elements to feed into the theoretical debate over the informal economy. On the other hand, they can help policy makers achieve, in an effective way, the dual purpose of preserving the employment and income-generation potential of the informal economy, while extending protections at the same time.

CHAPTER 1

The Informal Economy Dilemmas: Old and New Views

1.1 Introduction

It is possible to state that since the origins of early modernity,¹ all economic and social systems have to varying extents comprised a heterogeneous set of processes whereby goods and services are produced by eluding one or more distinctive aspects of the formal or regular part of the economy. Specifically, they may dodge out of commercial, tax, or labor law, and at times, regulation of the market and the pursuit of profit. Such activities are not new, therefore, but they have assumed greater magnitude and visibility since the early 1970s, when the headlong economic growth of the industrialized countries (and the economic advance of some developing countries) abruptly slowed down. The dominant productive paradigm,² generating those high growth rates, has been gainsaid by an economic and social context that is no longer predictable, and has lost most of its presumed universal efficacy. Consequently, the economic environment has grown increasingly uncertain in many of its dimensions (from demand to the labor market, in their qualitative and quantitative aspects), and has exhibited a new distribution of risk among firms, the state, and the labor force. In this new economic situation, the narrative of the limitless growth of production, consumption, and work has lost much of its persuasiveness and is no longer considered the inevitable outcome of a linear process of economic development.³

In the climate of change just outlined, scholars, experts, and policy makers have also begun to inquire into the lives of those millions of people who inhabit, constantly or intermittently, with great enthusiasm and equally profound desperation, the outskirts of the largest cities of the world's South and North. Hawkers, craftsmen, shoe-shiners, laborers,

street artists, pickpockets, petty dealers trading from their own homes, workers without labor contracts, providers of services, and other professionals, operating externally to the formal part of the economy, demonstrate a surprising capacity to provide for themselves and to produce resources that enable millions of people to survive.

This widespread attention to various labor and economic transactions has stimulated (and in some aspects made necessary) a search for a definition able to cover and label all the manifold forms assumed by the human art of getting by. In this regard, the term “informal economy” was used for the first time by two studies realized in the late 1960s and early 1970s: the first of them, *Informal Income Opportunities and Urban Employment in Ghana*, resulted from research carried out in 1965–1968 by Keith Hart (Hart 1973); the second, an empirical survey by International Labor Organization (ILO) experts and researchers, was conducted in Kenya in the early 1970s (ILO 1972). Since these two studies, interest in the informal economy has increased—though somewhat erratically—over the past 40 years, and empirical and theoretical studies have multiplied. In some cases, such studies have differed according to the context in which the phenomenon has been analyzed: in particular, a cleavage has emerged between the more industrially advanced countries and the weaker countries as regards both interpretations and, in certain respects, the methods used to understand and quantify the informal economy.⁴

In this book, I will deal with the informal economy in Brazil and, in its first part, I will highlight some of the most significant theoretical analyses and various empirical studies conducted on informality in the South of the world, and in the countries of Latin America in particular. In these contexts, during the 1950s and 1960s, attention focused mainly on the conceptual development and practical implementation of the best-known models of modernization and economic development. Independently of the model discussed—the “centre-periphery” model (Prebisch 1949), that of “unlimited labor supply” (Lewis 1954), that of the “big push” (Leibenstein 1957), the model of the “phases of economic growth” (Rostow 1960), or, again, the “minimum wages” model (Harris and Todaro 1970)—the informal economy often belonged to the so-called traditional sector, understood as a set of largely indistinct activities that, in different ways and to different extents, hampered the full achievement of modernization. From the 1970s onward, this view of the informal economy was flanked by other views—some conflicting, others more complementary. In particular, between the 1970s and the 2000s,

it is possible to identify some phases in which one conception of the informal economy has predominated over others. There was an initial phase in which the emphasis was on the survival strategies adopted by people excluded (or temporarily excluded) from modernization, and on their provisional nature. The second phase lasted—some national differences aside—from the mid-1970s to the end of the 1980s. During this period, owing to the difficulties and failures of economic and social growth in many countries of Latin America, interpretations of informality were multiple.⁵ In many cases, the informal economy, rather than being a phenomenon destined to disappear with the full accomplishment of economic modernization, became an element engendered by modernization itself. Moreover, it was frequently interpreted as a factor able to cushion (if not solve) some of the social problems (primarily unemployment) that seemed to derive directly from the difficulties encountered by processes of economic development. During the 1990s (the last phase), the theme of informal economy was mainly treated by international organizations and increasingly connected with bigger issues, such as the fight against poverty and the promotion of so-called decent work (ILO 2002, 2007).

Especially during the first two phases just outlined, the majority of attempts to define the main features of informality, and to explain its relationships with the formal or regular part of the economy, belonged within three broad schools of thought: the dualist, the structuralist, and the legalist approach. The first was most popular at the end of the 1960s and for the large part of the 1970s. The other two approaches instead proposed interpretations and explanations of the informal economy that were widely used at the end of the 1970s and during the 1980s, but also more recently (Chen 2006). As I highlight later, the dualist school considered informality to be a segment of the economy substantially distinct from its formal part, and consisting largely of activities able to furnish a livelihood, even if a minimal one, to persons on the margins of the official circuit of the economy and society.⁶ The structuralist school instead gave prominence to some of the features seemingly most characteristic of informal economic activities—such as flexibility and lower labor costs. These features were considered strategic in that they enabled medium-to-large firms in the official circuit of the economy to compete in increasingly large and uncertain markets, above all by means of outsourcing and delocalization strategies, which involved small, and often informal, firms. The structuralist approach therefore placed particular emphasis on interdependence

as a characteristic fundamental to defining the relationship between the economy's informal and formal parts.⁷ Finally, the economist Hernando de Soto (1989) can be considered the founder of the legalist approach. In this case, the emphasis was mainly on the inefficiency and high costs of the bureaucratic apparatuses regulating economic and political life in the majority of the countries in the South of the world. The informal economy was therefore represented as a domain in which people could more freely express their "entrepreneurial capacities." Hence, living and working in the informality were frequently interpreted as the fruit of an economically rational choice.

As will be evident from this brief description, the controversies among these different schools of thought have concerned not only aspects of definition, but also aspects related to the interpretation and evaluation of informality, and consequently, the creation of measures aimed to tackle the problems usually linked to this phenomenon. Of course, the theories and phases just outlined are only rough distinctions. In practice, theoretical and empirical inquiries into the informal economy have not followed each other in a linear sequence. On the contrary, they have often overlapped. The greater visibility of one approach with respect to another at any given time has been due to the different political, economic, social, and cultural factors, which have combined to form a context more favorable to one particular school of thought. Rarely, therefore, has there been a clear transition from one theoretical perspective to another. Rather, from time to time and for different reasons, one approach has proved more effective in interpreting the informal economy in a specific space-time context. Despite the limitations typical of a classification of this kind, it may usefully serve as a map with which to navigate among the multitude of theoretical and empirical approaches that in the last 40 years have dealt with the theme of the informal economy.

Aside from the different interpretations given to the phenomenon, it is significant that the notable complexity of the empirical aspects of informality has increasingly required, especially in recent years, an inductive logic, and multidisciplinary interpretative mechanisms. We newly noticed a rising awareness of the limits linked to the use of a single interpretative paradigm. Indeed, the interpretations furnished by a single discipline have proved not good enough, to say the least, in regard to economic relationships often deeply "embedded"⁸ in social relationships (Polanyi 1957b, 1977).

Hence, it seems that there is no single thread with which to unravel the tangled skein of the informal economy.

1.2 The Informal Sector: The Early Theories

Several scholars and experts tend to regard Keith Hart as the first to have combined the adjective “informal” with the noun “economy.” He did so with particular reference to the various informal “income opportunities” that he observed in Accra, Ghana, at the end of 1960s (Hart 1973). Hart minutely described the survival strategies adopted by members of a tribe that had migrated to the largest conurbation in Ghana. He stressed that these strategies served to satisfy the primary need of producing income for all those excluded from the official labor market. Hart postulated a dualist model of income opportunities of the urban labor force, based largely on the distinction between wage employment and self-employment, and the concept of informality was primarily applied to the self-employed workers (Portes and Haller 2005). Moreover, Hart also used a kind of legality criterion (Calandra 2000) to distinguish two broad categories in the numerous informal activities that he analyzed: (1) activity that produced and sold legal goods and services outside the official economy, and (2) activity that produced and sold illegal goods and services. On discussing in retrospect his ethnographic study conducted in Ghana, Hart (2006) has emphasized that the principal purpose of his fieldwork was to demonstrate that the poor people of Accra were not unemployed. They worked, often casually, for erratic and generally low returns, but they were definitely working. According to Hart, formal incomes came from regulated economic activities, and informal incomes, both legal and illegal, lay beyond the scope of regulation. It is interesting that Hart, in order to attract the interest of the economists working at the same University Development Studies Institute as himself, wrote the account of his ethnographic study using “interpretative tools” and language that were close to that most commonly employed by economists. While on the one hand his choice of interpretation (and style) generated immediate interest in the informal economy, above all among economists working at the ILO, on the other, it did not prevent the dissemination of his research results among scholars of other disciplines, such as sociology and anthropology. This interest produced several studies on small-scale economic activities in urban contexts, which emphasized reciprocity as a mechanism able to regulate the economic transactions.⁹ In this way, the economic transactions based on reciprocity (and developed in the informal economy) became complementary or “alternative” to economic transactions based on the market principle. Moreover, some sociologists and anthropologists made large-scale use of the concept of “domestic economy” to explain

the informal economy—the “domestic economy” is a concept developed by Karl Polanyi (1966) to denote the action of providing for oneself and one’s own group. Production was undertaken primarily to satisfy the needs of the familial, local, or ethnic group, though part of it might be placed on the market.¹⁰ Some sociologists and anthropologists highlighted the dynamism (and creativeness) of the men and women who made their living in the “other half of the economy.” This manner of examining and interpreting the informal economy therefore allowed researchers to borrow from disciplines alternative or complementary to economics. At the same time, however, this borrowing was in many respects too radical. There was, in fact, a prevalent tendency to consider only specific phenomena, stressing their uniqueness and, above all, their almost exclusive pertinence to the “reciprocity” form of integration (Polanyi 1957a, 1957c, 1977). In fact, different factors contributed to the development of various interpretations of the informal economy that they were totally alternative to those based only on the science of economics. Among these factors were economic transactions regulated largely, if not exclusively, by social institutions; the difficulty of finding indicators with which to quantify the informal economy at the local and national levels; and an exclusive concern with situations of exclusion from the processes of economic development. The spread of the alternative interpretations, contrary to Hart’s intentions, reinforced the opinion that the informal economy was of residual economic importance and was bound to disappear because of modernization. As a consequence, especially in countries of weak industrialization, the most important phenomenon (namely, development) continued to be the province of standard economic theory, which sought to explain it by using a “pure” economic model. What was left unexplained (informal economic activities) constituted a sphere apart, worthy at most of sociological curiosity.

Despite these unexpected effects produced by the different interpretations given to Hart’s ethnography, the informal economy became a topic of study also for economists in the years immediately following publication of Hart’s work. In the 1970s the studies promoted by the ILO made the greatest theoretical and empirical contributions to knowledge about informality. The advent of the notion of the informal sector can be traced to the celebrated Kenya Report, *Employment, Incomes and Equality*, compiled by the ILO in 1972. The study was part of the broader World Employment Programme (WEP). As Paul Bangasser (2000) pointed out, in this report, not only was the term informal sector coined, but this concept also played a key role in the whole analysis of the employment

situation. Contrary to Hart's approach, the ILO research recognized that the informal sector was a set of production units sharing technical features and operating in a general context of scant regulation. The Kenya Report defined the informal sector as a series of economic activities characterized by "ease of entry; reliance on indigenous resources; family ownership of enterprises; small scale of operation; labor-intensive and adapted technology; skill acquired outside of the formal school system; and unregulated and competitive markets" (ILO 1972, 6). According to the ILO, the causes of the expansion of informal work were the structural tendencies characterizing the complex, and in many respects imbalanced, aspects of modernization and urbanization in many countries of the South of the world.¹¹ The empirical evidence showed that imbalanced development had taken place. This undermined the thesis that when the modernization process was complete, the entire urban population would be integrated into the wage-earning labor force—considered the form of work "typical" of the modern age. Informal activities were therefore no longer considered archaisms distinctive of a traditional society and destined to disappear. The ILO report highlighted the informal sector's capacity to absorb and create employment. It also underlined the relationships between informal production units and the few industrial and manufacturing firms that, albeit amid difficulties and inefficiencies, were present in developing countries. In general, the conceptual framework emerged from the Kenya Report, and some of its interpretative hypotheses concerning the relationship between the informal and formal sectors of the economy, are still today efficacious tools with which to understand the informality's role in processes of economic development.

Notwithstanding these innovative factors, most part of the missions for employment undertaken by the WEP were, however, accompanied by various flaws, which undermined the validity of the entire program. Specifically, although the approach used for analysis and diagnosis was described as multidisciplinary, in reality it often coincided with an economic set up, and consequently furnished only partial interpretations and remedies. In addition, analysis frequently concentrated on the urban labor market, reinforcing dichotomous views of the informal economy, which both Hart's study and the Kenya Report had sought to render more composite and less taken for granted in application. In this way, the WEP studies contributed to the spread of stereotyped views of informality: "The informal sector came to be seen as a sort of labor market sump, where those who missed (for whatever reasons) getting one of the

‘good jobs’ of the formal sector ended up. As regards the broad development strategy, the informal sector was still just an unpleasant but passing labor market phenomenon, which had to be suffered through but would eventually fade away” (Bangasser 2000, 11).

Moreover, the search by the ILO for a unitary definition of the informal economy does not seem to have been prompted by theoretical concerns alone. A common definition, in fact, would also have facilitated solution of the measuring problems that distinguished the informal economy. As a consequence, the WEP approach featured a “technocratic ethos” (Bangasser 2000). The huge human and financial resources deployed by the ILO were in fact intended to furnish suitable technical support for the countries of the South of the world via a series of specific economic policy actions. It is in this light especially that one may interpret the attempt to bring the various types of informal economy within a single definition of the “informal sector.” But it was an attempt that immediately provoked criticism, even from scholars near to the international organization itself. Some of them maintained that the definition of the informal sector used by the WEP research program was unable to represent the reality of informal economic activities in all their nuances, in that it again proposed (through the formal/informal opposition) the dichotomic and rigid system that, for years, had been a fundamental feature of the literature on development, and did not render justice to the economic and social complexity of the informal economy.

1.3 The Informal Economy: Definitions and Interpretations

Most economies of Latin America collapsed in the early 1980s. This crisis was mainly due to the sharp cyclical downturn of 1981–1982 in the United States and in the other most industrialized countries combined with the explosion of the international debt crisis and a fall in raw material prices in Latin America. The set of these macroeconomic factors provoked decreases in imports, public spending and private investments. Incomes diminished significantly everywhere, and in the most industrialized countries of the continent (Argentina, Brazil, and Mexico), unemployment rose to unprecedented levels. This severe reversal in the continent’s economic progress gave rise to a different and less catastrophist interpretation of aspects to do with the previous development. Indeed, somewhat surprisingly, prominence was given to the almost constant forward movement of industrialization (Hirschman 1987) characterizing that long period of which only the negative aspects—the social tensions

and injustices that seemed inextricably bound up with modernization—had previously been stressed.¹² It was precisely in this period of severe economic crisis, and of general reflection on the development achieved in previous decades, that revision began of the meanings attached to the informal economy.

As mentioned, predominant in this period were notions and interpretations deriving from the legalist and structuralist approaches. As regards the activity of the ILO, the 1980s have been described as its “dispersion years” (Bangasser 2000, 13). In that period, in fact, the ILO had no specific unit dedicated to the study of the informal economy, which was instead included from time to time as an additional issue in broader and traditional programs of study and action. Attention shifted markedly from analysis of the informal economy and research on its causes to a search for possible remedies (which tended to be standardized).

An economist who instead concentrated in those years on understanding and analyzing the causes of the informal economy in the South of the world was the Peruvian Hernando de Soto. In his *El Otro Sendero: La Revolución Informal* (1989), de Soto argued that informality was a response to the excessive weight of the state in the economy. On observing many of the informal activities pervading the cities of South America, the author depicted a reality in which the poor spontaneously created free, unlawful markets in the streets and squares of those cities. The group of researchers headed by de Soto analyzed the costs of legality first in Lima (in Peru), and then in Tampa (in the United States), following in both cities the bureaucratic procedures necessary to open a shoe factory. In the Peruvian capital, the results were striking in terms of the resources and time employed: 298 days to deal with the paperwork, the almost inevitable use of bribery, and a consequent exponential growth in the costs of starting up the business. This “legal discrimination” derived from mercantilism. Indeed, “what remained in Latin American countries was a kind of capitalism where private property was not a right but a privilege, private enterprise was also a privilege and competition did not exist” (Gherzi 1997, 107).

From this one deduces that the origin of informality does not reside in particular cultural features, nor in religious or ethnic ones. Its birth and growth essentially derive from ineffective regulation of the formal part of the economy. In this case, the informal economy is defined mainly in terms of the legal/illegal dichotomy, in the sense that informal economic activities are undertaken externally to a particular country’s legal system (Lautier 2004). In general, this perspective tends to emphasize the great

vitality of so-called informal entrepreneurs, the costs structure of informality, and the even greater costs of the formal or regular economy, which force these entrepreneurs to opt for informality as the arena where they can best express their professional abilities.

Hence, this theoretical approach—essentially based on transaction costs and institutional changes (Coase 1937; North 1990)—considers the informal economy to be a consequence of the excessive costs of legality. For de Soto, an essential prerequisite for the formation of self-regulated markets is the presence of property rights that are well defined and enforceable on the goods and services exchanged. The function of property rights, contracts, and extracontractual liability is to reduce uncertainty for those who want to invest their labor or capital in the development of existing resources. Yet such uncertainty is still very high in the countries of the South of the world, and it enormously discourages investments (de Soto 2001). In de Soto's view, an individual operating in the informal economy—and who the author seems to conceive as exclusively an entrepreneur—conducts a cost/benefit analysis in order to decide whether to move to the formal part of the economy, and for the reasons listed earlier, frequently decides to remain in the informal one. De Soto considers the revolution of the informal economy to be a form of rebellion against the distortions and imbalances of the development model pursued by most countries in the South of the world. According to this approach, therefore, the informal economy is an exit option that subjects rationally choose. To reduce voluntary exits, de Soto and his group of researchers and experts have devised over the years a series of measures designed to reduce the costs of the formal economy and applicable indiscriminately in every developing country. These measures aim essentially to (1) simplify the system of laws in force so as to decrease the role of bureaucracy, (2) devolve powers to local authorities, and (3) deregulate the market by removing economic responsibility from the state and strengthening *laissez-faire* policies. The vision of the informal economy propounded by de Soto is thus founded on the unproven principle that economic actors are perfectly informed and choose to operate in the informal economy after they have rationally compared the costs of action in the two economic spheres (formal and informal). Accordingly, their behavior is driven solely by expectations of future advantages. While on the one hand de Soto's analysis has had the merit of encouraging detailed qualitative and quantitative studies on the transaction costs of both the formal and informal economies, on the other, the conclusions to which it leads are, in many respects, reductive. The abstract model of causal explanation

adopted by the de Soto approach, in fact, does not adequately take into account certain elements observed in empirical experience: the actor's space in interpreting social roles, the influence exerted by social structures and networks on individual or collective actions, the unexpected effects of human actions, and the expressive and normative dimensions that frequently influence the outcomes of social and economic interactions.

In an inefficient system of formal regulations, the informal economy *à la* de Soto therefore seems to be some sort of *apologia* for labor flexibility, and its ability to safeguard employment acquires decisive social value. This theoretical perspective carries a clear political message, which openly challenges the idea that the legally regulated and socially protected employment relationship can continue to be considered the point of arrival where full economic and social integration is achieved—and therefore as the principal mechanism of social reproduction.

During the 1980s, however, the debate over the informal economy was not confined to countries beset by difficulties due to the implementation of strategies for economic development. It also extended to the more industrially advanced countries undergoing important changes in their production systems. This was the period of the forceful emergence of production models—such as “flexible specialization” (Piore and Sabel 1984) or the “lean manufacturing system” (Berger and Dore 1998; Castells 2000; Dore 1990)—which represented viable alternatives to the model based on mass production and the vertically integrated firm.

As stated at the beginning of this chapter, attention was focused on the development generated in the “diffused economy regions,” where small firms and decentralization predominated, and where “the free market for products and labor combined virtuously with processes of production and consumption deeply embedded in family and community relations, and based on lean organizational forms” (Bagnasco 1986, 19). The prevailing productive system in those areas was diversified and specialized, and different types of informal economy could interact with it. Processes of “informalization” thus responded to different needs. For firms, the “underground economy” responded to their exigencies of greater flexibility in functions and employment—which could be satisfied by evading the norms of commercial, business, and labor law, or those relative to the industrial relations system. For workers, the informal sector was able to furnish them with valid forms of supplementary income.¹³ Consequently, from the 1980s onward, also in many countries of the North of the world, it became important for the understanding of economic processes to analyze the different ways in which formal and

informal aspects interwove in a concrete structure of relations (Bagnasco 1986, 1999).

From the empirical point of view, research focused on the analysis of the relational mechanisms arising between informal microenterprises, which produced semifinished goods (e.g., women who manufactured garments at home, or parts of them), and firms operating in the official circuit of the economy, as well as the institutions that enabled such mechanisms to work and to spread (see, for instance, Capecchi 1989). In that period, in the more industrially advanced countries, but elsewhere as well, competitiveness and flexibility became central issues in the debate over the forms of economic organization deemed best suited to operating in markets decidedly more uncertain than in the past. The “informalization” of one or more parts of formal activities became a strategic choice made by firms to improve their economic performance (Lautier 2004). The labor market, above all urban, was frequently selected as an area of inquiry. Various studies were conducted on forms of nonstandard work, for example, on occupations that evaded the provisions of labor law, forms of flexible work, off-the-books employment, double job-holding, and self-provisioning practices (Gershuny 1979; Pahl 1980). In those years, moreover, in various industrially advanced countries, case studies were undertaken to describe the development of informal work, especially in urban contexts. In the United States, for instance, in the early 1980s, case studies conducted in the cities of New York and Miami highlighted the growth of informal activities in various sectors such as house building, furniture, textiles, footwear, and electronics. Particular attention was paid to sweatshops and their links with firms operating in the formal part of the economy, as well as on the role of immigrants as the protagonists of important urbanization processes though often employed informally (Krugman 1997; Portes and Stepick 1985; Sassen-Koob 1984).

A large body of empirical evidence therefore demonstrated that the informal economy could no longer be considered a phenomenon confined to the countries of the South of the world. This transversality was one of the informal economy’s features most closely examined by researchers who mainly used the structuralist approach to explain informality. The informal economy was emerging throughout the world, and its appearance was frequently interpreted as symptomatic of the economy’s global internationalization and of the progressive disappearance of labor protection. In these processes, the informal economy became a permanent, albeit subordinate and dependent, feature of the new capitalist development (Portes, Castells, and Benton 1989). According to this approach, the discriminant

between what could be considered informal or otherwise was essentially the presence or absence of an institutional framework in which economic relationships took shape. It was therefore essential to consider the different contexts in which informal activities arose: for these researchers, the boundaries of the notion of informal economy were flexible, in the sense that “what is informal and perhaps persecuted by the law in one particular setting may be perfectly legal in another” (Portes, Castells and Benton 1989, 298).¹⁴

This approach to the informal economy, although in different ways and with different nuances, also spread in the countries of the South of the world. In Latin America, neoliberal arguments were opposed by scholars of neo-Marxist persuasion. During the 1970s and 1980s, scholars belonging to both schools of thought had to reckon with the resistance and growth of informal economic activity, often vital for the subsistence of those who engaged in it. The informal economy comprised heterogeneous economic forms, ranging from subsistence practices, through forms of small-scale trade and production, to subcontracting arrangements involving semiclandestine enterprises and self-employed workers. In general, the informal economy concerned all those work situations characterized by the absence of (1) a clear separation between capital and labor, (2) a contractual relationship between both, (3) a labor force that was paid wages and whose conditions of work and pay were legally regulated (Moser, 1978; Portes and Benton 1984).

Some neo-Marxist researchers focused their analyses on the relations between informal economic activities and formal enterprises. They showed that the employment relationships that developed in the informal economy were “subordinate and functional to the model of capitalist development, participating *de facto* in the logic of accumulation” (Machado da Silva 2003, 146). In these cases there consequently prevailed the image of an informal economy understood as a “hyperflexible economy,” whose greatest strength was its capacity to adapt the organization of production, working conditions, and the cost of labor to the requirements of the market. Other researchers, again belonging to the structuralist school, instead concentrated on specific activities, such as those for subsistence, and stressed again the ability to “get by” of the people who engaged in those activities and the importance of reciprocity relationships in ensuring that economic transactions had satisfactory outcomes. Predominant in this case, therefore, was another interpretation of the informal economy, which was analyzed essentially in terms of otherness—that is, as a counterculture phenomenon and as a rejection

of the economic development imposed hitherto (Lautier 2004, 29). In particular, they interpreted the informal economy as a form of rebellion against the *status quo*, although they started from premises diametrically opposed to that of the neoliberal scholars (and, in particular, to the de Soto approach). The critique against the capitalist economic system—which allegedly determined all other dimensions of society—induced some scholars to search for an *alter economie*.¹⁵ This endeavor to find alternative forms of economy (and society) arose from the debate over whether the informal economy could be considered a segment “exploited by” (or more simply “functional to”) the market economy. Of significant weight in this debate were the arguments of Serge Latouche (1993), who coined the apt image of the “shipwrecked of development” and was one of the main proponents of the informal economy as an alternative to the capitalist economy. According to this author, “the informal economy obeys the logic of maximizing social benefits in terms of power, prestige, or influence within the reference group or in the interplay among groups” (Latouche 1993, 111). As stated, the attention shifted again to the relational strategies for getting by, which seemingly typified the inhabitants of the peripheries of large cities, and specifically those of the South of the world. The fact that these social actors did not function in accordance with the logic of profit accumulation predominant in the market economy would also explain the contradictions that arose when an attempt was made to give a single definition to the informal economy. In this case, therefore, informality was interpreted as a phenomenon characterized by typical aspects of traditional society (resuming, in some respects, the analysis made by Keith Hart and the Kenya Report in the early 1970s), but it was viewed as a model alternative to modernization based on profit accumulation.

This particular approach to the informal economy has been resumed in recent years, especially in Latin America, by the proponents of the so-called *economia popular e solidaria*. Generally, the first term in the expression refers to “that set of economic activities and social practices developed by the popular classes with the purpose of guaranteeing, through the use of their labor and the resources available, satisfaction of the primary needs, both material and non-material, of a community” (Sarria Icaza and Tiriba 2003, in Cattani 2003, 101). The concept of *economia solidaria* instead refers to organizations of producers, consumers, and savers “with two distinctive features: (1) they stimulate solidarity among the members of the organization through the practice of self-management; (2) they implement the principle of solidarity within the

workforce, placing greater emphasis on help for its most disadvantaged members” (Singer 2003, in Cattani 2003, 116).¹⁶ In both cases, however, the otherness approach to informality seemingly serves to develop a political discourse. What is disputed, in fact, is capitalism as the model of economic development, but above all as a theory of society. According to these authors, capitalism is viewed as a set of relations always able to favor capital and the representative democracy as the system charged to legitimate the capitalist model of society. There therefore prevails the image of a society corrupt from top to bottom in which nothing can change unless everything changes together and at once. Hence, the *economia popular e solidaria* is propounded as a new model of society that should be legitimated by participative political procedures. In many respects, this approach seems to be vitiated by an excessive reductionism. To argue their thesis, these structuralist scholars greatly restricted the range of the informal economy. They did not consider all those types of informality that are neither solidarist in nature, nor characterized by the *joie de vivre* distinctive of the small communities that, for instance, Latouche cited as examples, but whose members, in fact, survived by stealing, exploiting or being exploited and humiliated, or even by committing murder (Lautier 2003). Moreover, if informality is assumed as an alternative to the capitalist economy, the processes of deregulation and dedifferentiation distinctive of such an alternative model seemingly entail a reversal of the modernization process. As regards the *economia popular e solidaria*, empirical inquiry to date has reported that it interweaves with the market in a more complex manner than envisaged. In many cases, for example, the composition of income of households that participate in economic relations on the basis of solidarist networks is highly differentiated: one or more members of the household may have earnings that derive from employment in the formal part of the economy, or more probably, from informal though not solidarist activities. Consequently, even with a single family, survival strategies may often be so heterogeneous that the existence of pure forms is rendered unlikely. Because of their interweaving with the market and their relative infrequency, these modes of production appear more alternative to situations of unemployment than to the prevailing model of capitalism.

In general, the majority of the approaches surveyed thus far dispute—from different points of view—the paradigm of the self-organized market. They do so on the grounds that the paradigm is gainsaid by the evidence that “the market exists in so far as it is conditioned by specific combinations of sociality, and its structure is mediated through the reconstruction of bonds of cooperation and organization by the local institutions”

(Mingione 1997, 24–25). The presence of the informal economy therefore seems forcefully to reassert the problem of the “embeddedness” of the economy in society (Polanyi 1957a, 1957b). At the same time, however, the different forms assumed by the informal economy, and the varying combinations of the mechanisms that regulate its transactions, seem to be largely interpreted according to a dual logic. Definitions of the informal economy are constructed in opposition to the formal or regular economy, so that the informal economy is either an intermediate stage, an obstacle, an instrumental appendage, or an alternative to the dominant model of economic development.

1.4 The Dilemmas of the Informal Economy

During the 1990s, the debate over the informal economy in the countries of the world’s South radicalized further. A profusion of interpretations, often constructed on different conceptual bases, and which referred to different economic forms and specific settings, was accompanied by new attempts to formulate, especially in statistical terms, definitions of the informal economy with universal validity (see sub-section 1.6). On the one hand, the proponents of the dualist approach emphasized the hardships into which informal workers were forced: low wages, bad working conditions, and a widespread uncertainty that extended beyond work. On the other hand, those commentators who mainly adopted the legalist approach concentrated more closely on the skills and resources hidden in the informal economy. They stressed that informality was frequently a voluntary choice made by workers (especially those in self-employment or with small businesses). The supporters of the structuralist thesis instead argued that the advent of economic globalization was creating new jobs, new markets, and new relationships between the formal and informal parts of the economy. The informal economy was therefore defined according to its function within the particular economic and social system analyzed.

During the same years, the informal economy was increasingly distinguished from the criminal economy. The former comprised production units that, though operating partly or entirely in breach of business, tax, and labor law and externally to social security systems, produced goods and services considered legal in those settings. The criminal economy instead consisted of production units that produced and sold goods and services considered illegal in a particular institutional context (Portes and Haller 2005). This distinction between informal and criminal economies

was part of a more general attempt to construct taxonomy of informality, which would include, as exhaustively as possible, all its different segments that the advance of empirical research was then bringing to light. In this regard, Edgar L. Feige (1990)—referring in particular to the more industrially advanced countries—divided the so-called underground economy into four subcategories: (1) the illegal economy, (2) the unreported economy (legal definition), (3) the unrecorded economy (statistical definition), and (4) the informal economy. In general, on one hand, these distinctions evidenced greater knowledge of the informal economy and its multifaceted nature; on the other hand, they were based on categories whose boundaries, in practice, often overlapped to such an extent that they invalidated the subdivisions.¹⁷

However, this better knowledge was accompanied by a proliferation of analyses on informality in relation to the entire regional, national, and supranational economic system. Such assessments could oscillate from one extreme to the other of the evaluation scale, producing certain confusion, especially among those responsible for policies to favor social and economic development strategies in specific contexts. Put very briefly, during the last years of the twentieth century, the policy makers of many countries of the South of the world were unable to decide whether it was better, for the purpose of development, to promote policies aimed at suppressing or strongly curbing informal economic activities, or on the contrary, policies aimed at enhancing the skills and resources employed in those activities. When it proved impossible to decide, the preferred choice was frequently not to act at all and instead to adopt some sort of *laissez-faire* attitude.

As the years passed, the informal economy raised awkward dilemmas, which increasingly challenged the conventional methods of policy development. *The Dilemma of the Informal Sector* was the title of a report presented by the director general of the ILO on the occasion of the 1991 International Conference on Labor. Bangasser (2000)—in his reconstruction of actions and analyses on the informal economy produced by the ILO from the 1960s to the early 2000s—has pointed out that the 1991 report did not mainly deal with technical problems concerning the informal economy, such as its definition and measurement. Instead, the report raised stimulating questions regarding the relation between informality and policies for economic and social development. For the first time, moreover, the ILO involved representatives of the social partners in debate over the informal economy. Other events promoted by the ILO during the 1990s also had important consequences for the analysis

and understanding of the informal economy. The first of them was the Fifteenth International Conference of Labor Statisticians (ICLS), during which a definition of informal economy was proposed with the intention of favoring the development of homogeneous statistical measures of the phenomenon (see sub-section 1.6). Moreover, in 1994 and 1995, the ILO launched a specific interdepartmental program on the informal economy, which involved numerous experts and researchers from different disciplines. However, this program was also the last project promoted by the ILO in which the informal economy was treated as the principal topic for research, analysis, and intervention (Bangasser 2000).

Therefore, during this period, the actions and programs promoted by the ILO in regard to the informal economy resumed and updated a number of issues involved in analysis of the informal economy, which since then have accompanied the activities of the organization.¹⁸

More generally, it seems that for large international organizations, such as the ILO and the World Bank, and the governments of the majority of the countries of the South of the world, the end of the 1980s and a large part of the 1990s were a period in which a strictly reformist attitude was adopted toward what was defined as the informal economy. They believed that the positive role performed by the informal economy in national economies could be enhanced by changes in policies at the macroeconomic level and at the enterprise level (Gerxhani 2004). Essentially, in many countries of the South of the world, attempts were made to answer the following difficult question: what reforms were best suited to “formalizing” informal economic activities (or, at least, the majority of them) without losing the positive resources and characteristics that had emerged from the informal economy?

1.5 The Informal Economy within Broader Research Topics

Somewhat paradoxically, study of the ambivalences and the processes that shape the informal economy seems to have found greater space since the notion of the informal economy began to be discussed within the frame of broader issues. Though acknowledging exceptions, Machado da Silva (2003, 167) has argued that, in the debate over development in the South of the world, “since 1990s, the category of employability (and more specifically entrepreneurship) has increasingly occupied the spaces hitherto filled by the notion of the informal sector.” In the 1990s, although the search for a unique explanation of the informal economy was not entirely abandoned, more in-depth analyses of specific structures

in specific contexts were predominant. Researchers highlighted changes (often made through trial and error) and the complexity of the relations between the formal and informal parts of the economy. In particular, attention focused on the resources employed by social actors in the different kinds of the informal economy and on the various ways in which those resources were deployed to promote change.

In the Latin American countries, in particular, the 1990s were a phase when the economic environment was even more uncertain than previously. Also in this area, the uncertainty derived mainly from the deregulation and liberalization of goods and services markets, and from the increasing use of flexible forms of work. As mentioned regarding the ILO programs, these were years when countries and international organizations redefined their political agendas, setting the priority of developing new instruments of regulation and integration to cope with increasing social fragmentation. Analysis of the informal economy was framed within broader topics, such as the fight against poverty¹⁹ and, subsequently, the promotion of so-called decent work (ILO 1999, 2002, 2007). In this regard, Armatya Sen's theory of poverty was an important reference point for the development of the programs of the largest international bodies. According to Sen (1985), the fight against poverty must be conducted mainly by strengthening the "capabilities" (i.e., the abilities to do and to be) of the poor, and through a process of empowerment.²⁰ The concern is to show how difficult it is to take part in the expansion of the market (especially in a world of globalized trade) for the illiterate or the less educated; for those afflicted by malnutrition or disease; or for those confronted by human-created barriers, such as discrimination on the grounds of gender, race, or social origin, which exclude a substantial part of humanity from equal economic participation (Sen 1992). Consequently, eliminating poverty requires first of all identifying, and then enhancing, the various types of capital (financial, human, and social) possessed by the poor. With this approach, the category of the informal workers seemingly therefore loses its analytical force because the theoretical and empirical attention shifts to the more generic category of the poor.

More systematic and detailed studies explore self-organization by people excluded from the formal economy, the creation of cooperatives and associations, and the importance of relational networks in the setting up of such organizations. The use of noneconomic resources to gain advantages in the economic sphere in general—and in the costs of producing goods and services in particular—raises new issues concerning the

interaction between the market and the other social institutions. Some researchers have begun to interpret phenomena concerning the activities developed by the poor by applying the concept of social capital (Coleman 1990). A focus on the relational networks in which social actors are embedded, and the ability of those same social actors to alter the structure of those networks to generate new effects, highlights manifold paths of development. For instance, some ethnologists have insisted on the reciprocal nature of informal employment, which ties together different members of more or less extended social networks; in many cases, empirical evidences showed that such networks can constitute a rudimentary form of economic safety net (Bacchetta, Ekkehard and Bustamante 2009). Several studies described best practices that demonstrate how the social capital embodied in the relationships among people, in many respects marginalized, can be an essential factor in generating development paths better suited to the economic and sociocultural contexts concerned. Contrary to the theoretical approach advocated by de Soto, in which great importance was given to the resources connected to individual capacities and the human capital of informal microentrepreneurs, this perspective explicitly emphasizes the resources for action furnished by the relational networks in which a person is embedded.

More generally, modernization is no longer regarded as a single and homogeneous process, but rather as a complex one involving an original, and always different, mix of traditional and modern relationships. Situations of backwardness, and in which informal economic transactions prevail, are interpreted—largely reprising the “possibility approach” advocated by Albert O. Hirschman (1971, 1984)—as already containing *in nuce* all the potential for a specific kind of development. Based on this approach are, for instance, the studies conducted by Richard Locke (2003), Khalid Nadvi and Hubert Schmitz (1994), and Judith Tendler (1998). These studies describe the processes by which cooperative relations are established between local public authorities and the various social actors operating in a particular context. They stress the importance of extending trust—an element often found in the informal economy—from the interpersonal sphere to the institutional one in order to favorite economic and social development paths (Mutti 1998). Analysis of relational networks has improved understanding of the behavior of social actors operating in the informal economy, and it has shown the extent to which such relationships, with their qualitative and quantitative features, can become constraints or significant resources, especially when economic and social development policies are being devised in local contexts.

Theoretical study of informality on the basis of the formal/informal dichotomy has thus been superseded. The focus has shifted to the relative nature of the notion of the phenomenon, and analysis concentrates on the space between the two poles of the economy, on partial events necessarily restricted in time and space, and on specific aspects of the interplay between the formal and informal parts of economy (Bagnasco 1999). It should be pointed out, however, that considering informal activity to be one of the many aspects that characterize poverty puts scholars, researchers and experts at risk of excessively restricting the range of analysis, but without resolving the problems and ambiguities of informality. Treating informal economic activities as an intrinsic aspect of poverty does not help clarify or explain the relationships that link the informal economy with poverty, nor the process by which informal activities become survival strategies for people living on the margins of the economy and society, or conversely, become forms of exploitation that hinder personal development and the escape from poverty. The fact that a high percentage of people working in the informal economy can be considered poor compared with those working in the formal or regular part of the economy should not induce to consider as linear the relationships between informal work and poverty, and between formal work and exit from poverty.

While the informal economy is a concept fraught with ambiguities and misunderstandings (to the extent that it may not even be a concept at all), it also represents a complex phenomenon generated by a multiplicity of causes. It is perhaps also for this reason that the interruption in theoretical analysis of the informal economy did not last long. In fact, during the 2000s—when the immense opportunities, but also the huge risks, connected with economic globalization became apparent—interest in the informal economy and its relationship with the formal part of the economy revived.

1.6 Measuring the Informal Economy

Before the most recent approaches to the informal economy are discussed, it may be helpful to provide a brief review of the methods and estimates that over the years have sought to define informality from the statistical point of view as well.

In general, in various areas of the South of the world, attempts to estimate the informal economy began to assume a more complete form in the 1960s, which was a period characterized in many of those areas by profound processes of industrial modernization. However, attempts to

measure the informal economy have been made by national accounting systems since the 1950s. In those years, some countries of sub-Saharan Africa, for example, sought to estimate the weight (in terms of produced wealth and employment) of the so-called traditional sector, which also included forms of agriculture essentially to do with subsistence (Charmes 2000). In many of these cases, however, the methods and procedures used were not encoded in writing, but were largely transmitted orally, so that any kind of comparison was precluded.

The first estimates of the informal economy to be conducted with certain systematicity, reported, somewhat surprisingly, that industrial modernization was not being accompanied by a reduction in the informal economy. In Latin America, for example, between the 1950s and the 1980s, industrialization profoundly transformed the economic systems of all countries in the area. Their gross domestic product (GDP) grew, on an average, by 5.5 percent year on year, in many cases quadrupling the initial value. But despite this remarkable economic growth, estimates of the informal economy, made within the United Nations' Regional Employment Programme for Latin America and the Caribbean (PREALC 1982), showed a limited, if not negligible, decrease in the so-called informal sector. In 1950, 30 percent of the economically active urban population worked in this part of the economy; in 1980, with a profoundly changed productive system, estimates reported that the percentage of the economically active urban population engaged in informal economic activities had not changed.²¹

As the years passed—and with increasing awareness that the informal economy could not be considered a merely residual phenomenon bound to disappear with the full advent of modernization—the measurement of informal economic activities became a matter of urgency in not only the developing countries, but also the more industrially advanced ones. While individual countries grew increasingly concerned to determine the impact of the informal economy on GDP and employment, it was once again the international organizations that made the greatest efforts to increase the reliability and comparability of estimates on informal economic activities. The development of better methods to measure informality, as both a share of production and a specific area of employment, was regarded as essential for devising more effective policies to counter the harmful effects of this phenomenon.

Over the years, the conceptual difficulties of defining the informal economy have been accompanied by a proliferation of measurement

methods and approximations. In general, estimates of the informal economy have been conducted on data deriving from several sources, such as national accounting systems, labor force surveys, sample-based surveys on firms, households and labor markets, and surveys specifically designed to measure one or more aspects of informality (Henley, Arabsheibani and Carneiro 2009; Sindzingre 2006). The rest of this section reviews some of the main advances achieved during the past 20 years in the effective measurement of the phenomenon.

In 1993, as stated, the ILO included the informal economy in the official agenda for the fifteenth ICLS. The purpose was to reach a single definition of the informal economy so that its properties could be easily measurable regardless of the context. The conference's final document—*Resolution concerning statistics on employment in the informal sector*—gave the first international statistical definition to the informal sector by specifying that it consisted of “units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned” (ILO 1993, point 5). In particular, the document indicated the following as components of the informal sector: “Household enterprises of unincorporated enterprises owned by households including: (1) informal own-account enterprises, which may employ contributing family workers and employees on an occasional basis; and (2) enterprises of informal employers, which employ one or more employees on a continuous basis” (ILO 1993, subsections 1 and 2, point 6). In order to define informal sector enterprises among other household unincorporated enterprises, the fifteenth ICLS used three main enterprise-based features:

- Legal status. Informal enterprises are not independent legal entities distinct from their owners. The definition of informal economic activity adopted by the ILO thus excluded every formal organizational unit operating in markets and legally recognized as separate from the owners (firm, limited liability partnership, nonprofit organization, public body, and cooperative).
- Destination of production. All or some of the goods or services produced must be intended for the market.
- Number of employees. The informal enterprise's number of employees should be below the threshold established by the law as regards the obligation to register a commercial or productive enterprise and the use of a paid workforce (Havinga and Vu 2005).

The definition made by the fifteenth ICLS was subsequently incorporated into the International System of National Accounts (1993 SNA). The important achievement of including an operational definition of informal economy among international measurement standards at least partly explains the ILO's decision to concentrate on production units rather than employment relationships. The ILO hoped that this approach would make it easier to produce comparable estimates of the informal economy and its share in the GDP of different countries.²² In practice, however, these hopes were only partly fulfilled. The criterion variables established by the fifteenth ICLS—for instance, the number of employees used to distinguish between formal and informal enterprises—led to different interpretations of informality. Moreover, the definition adopted by the ILO excluded activities that did not belong to the formal sphere of the economy, but nevertheless, in some countries, had a significant role in the workings of the economic system as a whole.

In response to criticisms of the definition given in 1993, the ILO proposed a new definition of informal employment, which supplemented the definition of “employment in the informal sector,” put forward in the 1990s. This new definition was mooted on the occasion of the seventeenth ICLS held in 2003. Compared with the definition of 1993, that of 2003 paid closer attention to the employment relationships and working conditions of informal workers. Considered as being in informal employment were dependent or self-employed workers without written contracts and not enrolled with national social security schemes (or not eligible for all the benefits provided by such systems). Although this new definition included types of informality not previously considered, it failed to resolve some of the extant problems, especially those due to the ample discretion given to the organization's member countries when selecting the properties considered to define the informal economy (especially size criteria, those concerning the degree of coverage by the national social security systems, and criteria relative to the regularization of entrepreneurial activities).²³ As a consequence, diverse measurement methods were adopted in different countries and often dealt with different aspects of informality.

Notwithstanding the tensions between conceptual definitions of informal economy and what is empirically measurable, the ILO's different perspectives on informality has however helped to define two of the criteria mostly frequently used over the years to estimate the informal economy. These are the criterion of productivity and the criterion of inclusion in the social protection system. The former defines as informal

production units those with a small number of employees and characterized by the intensive use of labor, scant use of technology, and low productivity; the latter essentially relates to the degree of coverage of labor by social security regulations and labor legislation.

1.6.1 Methods to Estimate the Informal Economy

In many countries, the use of different magnitudes referable to the informal economy often coincides with the application of different measurement methods. The approaches most frequently used in the past 20 years can be divided into three categories (Bacchetta, Ekkehard and Bustamante 2009; Schneider, 2002; Schneider and Enste, 2002): (1) direct methods, (2) indirect methods, and (3) methods based on the use of a model.

The first comprises *ad hoc* surveys (e.g., sample-based surveys on households) and ones of a fiscal nature.²⁴ Surveys on persons and households generally ask questions concerning income, employment status, taxation, household consumption, and coverage by social protection systems. Those on enterprises tend to use the definition formulated by the ILO in 1993. They consequently seek to measure the presence of family-run informal businesses (household enterprises), enterprises with small numbers of workers, or that evade or elude one or more provisions of national systems regulating entrepreneurial activities. Fiscal surveys instead estimate the informal economy as the discrepancy between the amount of wealth calculated from income declarations and the amount of wealth resulting from tax investigations. In general, administrative sources and *ad hoc* surveys of this type can be considered “imperfect” because they may conceal forms of evasion (Roma 2001, 40). Moreover, in some countries, *ad hoc* surveys on enterprises exclude subjects who may also operate in the informal part of the economy, such as microfirms, free professionals, and seasonal and casual workers. In the case of some informal activities, therefore, it may be very difficult to distinguish between entrepreneurial and nonentrepreneurial work. In the case of surveys conducted on persons, the respondents frequently do not have a clear perception of what is considered to be informal work or of their coverage by national social security systems and labor law. In general, however, surveys of this kind are very important because they can furnish quite detailed data and information on the informal economy. At the same time, they often lack uniformity and systematicity, so that comparisons among data collected by different surveys are often difficult and unsatisfactory.²⁵

Indirect methods use macroeconomic statistics not collected expressly to measure the informal economy. For this reason, unlike the surveys and studies that concentrate on micro aspects in order to analyze informality in particular contexts or only specific parts of it, these methods do not introduce biases due to obstructionism or concealment by the population considered. Other advantages of indirect methods are due to the fact that they are often based on accurate measurements for which time series data are available (e.g., data on monetary magnitudes or data from national accounts). Moreover, they are less costly than studies based on direct methods. The typical weaknesses of these approaches instead derive from the fact that they are structured on rigid and very binding assumptions about the relationship between macroeconomic indicators and informal activity.²⁶ Moreover, because they are based exclusively on measurements of macro phenomena, indirect methods are able at most to furnish an overview of the informal economy and of its relationships with the formal or regular part of the economy, without being able to specify the factors that characterize, define, and contribute to the reproduction of the various types of informality.

The most commonly used indirect method is the analysis of electricity consumption. Study of this physical input can be useful for measuring the number of production units in a specific geographic area (by counting the number of nondomestic electricity users). However, as Giuseppe Roma (2001) has pointed out, if this physical input is used to conduct more sophisticated analysis of the informal economy, the risk arises of obtaining unreliable values.²⁷

Other indirect methods use formalized models based on the demand for cash currency and its circulation (Bacchetta, Ekkehard and Bustamante 2009; Cagan 1958; Feige 1990; Roma 2001; Schneider 2005; Tanzi 1983). These approaches are structured on specific assumptions used, as stated, to define the relationships between the informal economy and macroeconomic magnitudes. The usual assumptions are these: (1) transactions between employers and informal workers almost exclusively involve cash payments, not formal financial transfers, and (2) there is a positive relation between growth of the informal economy and incidence of direct and indirect fiscal pressure, the complexity of tax law, and the quantity of the rules bearing down upon businesses and employment relationships (Roma 2001). In these cases, the approach most widely used has been the currency demand model introduced in 1958 by Phillip D. Cagan (1958) and developed and refined by Vito Tanzi (1983, 1999) in the 1980s and 1990s. The limitations of the indirect approaches outlined are also apparent in the currency demand model. Besides various

technical problems (e.g., arbitrariness in the choice of the base year when the informal economy's share is adopted as zero, or anyway negligible), this approach has some more general shortcomings due to the attempt to estimate a complex and constantly changing phenomenon, like the informal economy, on the assumption that actors always behave in the rational manner envisaged by economic theory.

Another indirect approach is the multiple indicator-multiple causes (MIMIC) model. This is a multivariate technique that combines numerous indicators with multiple causal relationships. Specifically, the MIMIC model considers the informal economy to be a latent variable that cannot be directly observed. Observable instead are both its causes (e.g., fiscal pressure) and effects (e.g., an increase in demand for cash). The model is a system of equations formed by one group of equations in which the effects are a function of the latent variable, and by another group in which the weight of the informal economy is a function of the causal variables. The main limitations of the MIMIC model are its extreme sensitivity to change in the units of measurement and the reference sample. Another criticism of the model is that, very often, no specific theory is used to define the variables included in the model as indicators or causes (Breusch 2005).

Aside from the methods used, the attempts made in recent years to enhance the systematicity and accuracy of estimates of informality seem increasingly to accept that the phenomenon is complex and multidimensional, and consequently that there are numerous approaches able to evaluate general as well as partial aspects of the informal economy. It is therefore no coincidence that the most recent quantitative studies on the informal economy have increasingly emphasized the following:

- The quantification of informality depends on the properties selected to define it.
- The quantification of production units and informal workers is only able to produce estimates that are defective by definition.

Moreover, the predominant approach seems increasingly to involve a search for models, which enable the integrated use of different types of measurement.

1.6.2 Recent Estimates of the Informal Economy

Some of the most recent ILO estimates have been produced primarily through the use of different measurement methods. In particular, the

data presented in *Women and Men in the Informal Economy, a Statistical Picture*, issued in 2002, derive from the use of two “residual” methods (ILO 2002, 18):

- The first of these methods starts by calculating the total workforce not employed in the agricultural sector. The next step is to calculate the number of dependent workers, again not employed in agriculture. The total informal workforce is then estimated by subtracting the number of dependent workers from the total nonagricultural workforce. Subsequently, the total nonagricultural workforce is divided between dependent and self-employed workers (excluding free professionals and qualified technicians, these being categories considered residual in the countries of the South of the world). Informal paid employment is then estimated by subtracting the number of self-employed workers from the total informal workforce estimated in one of the previous steps.
- The second method consists essentially in estimates based on data collected by surveys conducted to measure informal employment and/or production units. As with the previous method, total informal employment is obtained by subtracting the number of formal or regular workers from the total workforce (excluding some categories of self-employment).

According to estimates obtained by approaches using mainly the first method, in the industrially weaker areas of the world, between 1994 and 2000 informal employment represented half, or more than half, of total employment (outside the agriculture sector).²⁸ The shares of informal workers in total employment were 48 percent in North Africa, 72 percent in sub-Saharan Africa countries, 51 percent in Latin America, and 65 percent in Asia (see table 1.1). In the same geographical areas, the shares of informal female employment in total informal employment were 43 percent in North Africa, 84 percent in sub-Saharan Africa, 58 percent in Latin America, and 65 percent in Asia.²⁹ Bearing in mind the distinction between self-employment and dependent employment, in all the countries considered informal workers were more numerous in self-employment. Specifically, in three of the five sub-Saharan African countries, in half of the Latin American countries, and in all the North African and Asian countries analyzed, there were significantly higher percentages of informal workers in forms of self-employment.

In the past two years, the ILO has published further estimates on the informal economy in a study conducted jointly with the World Trade

Table 1.1 Informal employment in nonagricultural employment, by sex 1994/2000

<i>Region/Country</i>	<i>Informal employment as percentage of nonagricultural employment</i>	<i>Women's informal employment as percentage of women's nonagricultural employment</i>	<i>Men's informal employment as percentage of men's nonagricultural employment</i>
North Africa	48	43	49
Algeria	43	41	43
Morocco	45	47	44
Tunisia	50	39	53
Egypt	55	46	57
Sub-Saharan Africa	72	84	63
Benin	93	97	87
Chad	74	95	60
Guinea	72	87	66
Kenya	72	83	59
South Africa	51	58	44
Latin America	51	58	48
Bolivia	63	74	55
Brazil	60	67	55
Chile	36	44	31
Colombia	38	44	34
Costa Rica	44	48	42
El Salvador	57	69	46
Guatemala	56	69	47
Honduras	58	65	74
Mexico	55	55	54
Rep Dominicana	48	50	47
Venezuela	47	47	47
Asia	65	65	65
India	83	86	83
Indonesia	78	77	78
Philippines	72	73	71
Thailand	51	54	49
Syria	42	35	43

Source: ILO (2002, 19).

Organization (WTO). This study, too, highlights how attempts to furnish a broad picture of the different facets of the informal economy are still incomplete, and can be criticized on various grounds (Bacchetta, Ernst and Bustamante 2009). But despite the weaknesses of such estimates, ILO and WTO have sought to compare different datasets relative to the main countries of Africa, Latin America, and Asia.³⁰ In regard to the last 20 years, the ILO-WTO study reports no significant decrease in the share of

Table 1.2 Informality around the world (relative to total employment, in percent)

<i>Periods</i>	<i>Latin America</i>	<i>Asia</i>	<i>Africa</i>
Early 1990s	50.1	78.3	60.9
Late 1990s	52.8	68.5	63.6
2000s	52.2	78.2	55.7

Note: Country groupings: (1) Latin America: Argentina, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Uruguay, Venezuela; (2) Asia: China, India, Indonesia, Pakistan, Sri Lanka, Thailand; (3) Africa: Botswana, Cameroon, Egypt, Ethiopia, Ghana, Kenya, Malawi, South Africa, Tanzania, Zambia, Zimbabwe. *Source:* Bacchetta, Ekkehard and Bustamante (2009, 27). IILS estimates based on the IILS Informality Database.

workers employed in the informal economy: according to data from the International Institute for Labor Studies (IILS), in Latin America, in the early 1990s, around 50 percent of the employed population worked in the informal economy; in the early 2000s, the percentage was around 52 percent. In the Asian countries considered by the study, the percentage of informal workers was around 78 percent (although a decrease of around 10 percentage points was recorded at the end of the 1990s). In Africa, in the early 1990s, it was estimated that informal workers accounted for 60 percent of the total employed population, while in early 2000 the proportion was around 55 percent (see table 1.2). However, these aggregate data conceal differences within each single region (see table 1.3). In regard to Latin America, the study notes a marked segmentation of informal occupations: in recent years, own-account workers have represented between 40 and 60 percent of total informal employment, followed by own-account workers with fewer than five employees (from 22 percent to 41 percent). The other categories represented are people employed in family-run businesses and domestic workers. In general, the study highlights that different employment statuses are matched by different levels of work income. In particular, own-account and self-employed workers were those with the highest work incomes in the informal economy (in some cases, their incomes came close to those earned by workers engaged in the same activities in the formal or regular economy), while persons working for family-run businesses often received no form of monetary remuneration; this type of activity was frequently undertaken by women (Bacchetta, Ernst and Bustamante 2009, 33).

With regard to Latin America, one of the most recent attempts to furnish estimates and information on the informal economy has been made by Leonardo Gasparini and Leopoldo Tornarolli of the *Universidad Nacional de La Plata* (Argentina).³¹ These two researchers have analyzed

Table 1.3 Wage and self-employment in nonagricultural informal employment, by sex 1994/2000

<i>Region/Country</i>	<i>Self-employment as percentage of nonagricultural informal employment</i>			<i>Wage employment as percentage of nonagricultural informal employment</i>		
	<i>Total</i>	<i>Women</i>	<i>Men</i>	<i>Total</i>	<i>Women</i>	<i>Men</i>
North Africa	62	72	60	38	28	40
Algeria	67	81	64	33	19	36
Morocco	81	89	78	19	11	22
Tunisia	52	51	52	48	49	48
Egypt	50	67	47	50	33	53
Sub-Saharan Africa	70	71	70	30	29	30
Benin	95	98	91	5	2	9
Chad	93	99	86	7	1	14
Guinea	95	98	94	5	2	6
Kenya	42	33	56	58	67	44
South Africa	25	27	23	75	73	77
Latin America	60	58	61	40	42	39
Bolivia	81	91	71	19	9	29
Brazil	41	32	50	59	68	50
Chile	52	39	64	48	61	36
Colombia	38	36	40	62	64	60
Costa Rica	55	49	59	45	51	41
El Salvador	65	71	57	35	29	43
Guatemala	60	65	55	40	35	45
Honduras	72	77	65	28	23	35
Mexico	54	53	54	46	47	46
Rep Dominicana	74	63	80	26	37	20
Venezuela	69	66	70	31	34	30
Asia	59	63	55	41	37	45
India	52	57	51	48	43	49
Indonesia	63	70	59	37	30	41
Philippines	48	63	36	52	37	64
Thailand	66	68	64	34	32	36
Syria	65	57	67	35	43	33

Source: ILO (2002, 20).

data from 100 household surveys conducted in 21 Latin American countries and stored in the Socioeconomic Database for Latin America and the Caribbean (SEDLAC), developed by the *Centro de Estudios Distributivos, Laborales y Sociales* (CEDLAS) of the *Universidad Nacional de La Plata*, jointly with the World Bank's LAC Poverty Group (LCSPG).³² The surveys considered were carried out between the early 1990s and 2004.

To measure the informal economy, Gasparini and Tornarolli have used two of the operational definitions mostly widely used in Latin America, specifying the properties measured. The first definition principally refers to forms of work, and to informal workers in low-productivity occupations, marginal workers, and ones without vocational qualifications (this being Gasparini and Tornarolli's "productive definition" of the informal economy). The second definition is instead based on coverage by social security schemes (Gasparini and Tornarolli term this the "legalistic or social protection definition").

When the first definition (the "productive definition") was used, analysis of the most recent surveys showed a substantial dispersion of the shares of informal workers in all the countries considered: over 70 percent of the total employed population in Bolivia and Paraguay; over 50 percent in Brazil, Mexico, and Venezuela; 40 percent in Chile (Gasparini and Tornarolli 2006, 6). With rare exceptions, the surveys recorded a growth of the informal economy in recent years. When the second definition (the "legalistic or social protection definition") was used, the most recent surveys conducted in Latin America showed a relatively low rate of informality in Chile and Uruguay (around 25 percent), while in Argentina, Brazil, and Venezuela the rate stood at around 40 percent. In recent years, the share of workers with no form of social security coverage was increasing in several countries (Bolivia, Colombia, Ecuador, Guatemala, Mexico, Nicaragua, Paraguay, and Peru), where it reached almost 60 percent. The two Authors have also tried to make joint use of data referring to the two definitions of the informal economy to estimate the number of workers without social security coverage for all the occupational categories considered under the "productive definition." Their comparison showed that the majority of workers classified as informal according to the latter definition are also informal according to the "legalistic definition." At the same time, however, there was a considerable proportion of workers who, despite being considered formal under the "productive definition," were informal if the properties of Gasparini and Tornarolli's second definition were used. This practical test demonstrated that, even among workers who could be considered "formal" in certain respects, there was a significant number with little or no social security coverage (especially self-employed workers, free professionals, and workers employed with temporary contracts).

The foregoing review, although brief and partial, of some of the best known and most effective approaches to measuring the informal economy and of some of surveys conducted in most recent years, has shown that such inquiry has often yielded controversial, and in some respects

questionable, results. The limited consensus in the academic literature on how to “operationalize” the definitions of the informal economy raises serious doubts as to whether continuing to seek a universally statistical definition of informality is worthwhile. In effect, to date, all attempts to formulate the properties defining the informal economy, and which can be measured in the same way in all contexts, have not achieved fully satisfactory results. The effectiveness of such properties has depended on the discretion used in their application. In many cases, researchers’ choice of measurement was determined by the availability of data. Moreover, the multiple interpretative possibilities have made it difficult to conduct comparisons at global level, as well as casting doubt on the validity of the informal economy as an analytical concept.

However, acceptance of the complexity apparently inherent to the informal economy does not mean that measurement of the phenomenon is impossible or pointless. The foregoing brief review of the best-known attempts to estimate informality has in fact reported a number of methodological improvements, which have enhanced interpretation and made monitoring more realistic. Compared with the past, in an increasing number of countries in the South of the world, *ad hoc* surveys have been conducted on the informal economy with greater systematicity and continuity, and with greater awareness of the difficulties (over the last 20 years, in the most part of the developing countries, the availability of household and living standards surveys was increased). The failure to achieve a satisfactorily simple statistical definition of the informal economy therefore does not mean that important knowledge about the informal economy has not been obtained. Several recent estimates have showed that the informal economy remains a hugely significant phenomenon in many developing and newly industrialized economies. The recent studies have especially showed that the changing composition of informality, particularly if measured in an encompassing manner, is subject to complex and varying factors (Henley, Arabsheibani and Carneiro 2009). The greater awareness of its complexity makes clear that different measures, and an appropriate integration between them, is essential in order to reach a deeper and more accurate understanding of the phenomenon.

1.7 The Renewed Interest in Informality

The foregoing brief review of the main theoretical approaches adopted during the final three decades of the last century has highlighted the strength and persistence of the “dilemma” of the informal economy. Over

time, the critical issues raised by the informal economy have assumed different forms, and they have concerned both theoretical analysis and concrete action: how can the informal economy be delimited conceptually? What are the criteria that define it? Should the informal economy have a role in economic and social development? If yes, what should that role be? What types of action are necessary to deal with its growth? Are different measures necessary for different informal economic activities? In recent years, the informal economy has returned to the centre of debate on development, doing so also because of the economic, social and political changes brought about economic globalization. For various scholars, the recent renewal of interest in informality has been essentially due to two important empirical facts (Chen 2006; Guha-Khasnobis, Kanbur and Ostrom 2006). First, the previous forecasts concerning the disappearance, or the significant reduction, of the informal economy have proved to be entirely wrong. As illustrated earlier, recent estimates have indicated that the informal economy shows absolutely no sign of decreasing in many countries of the South of the world (in some of them, indeed, it is growing). Second, despite the persistence of ambiguities in the conceptualization of the informal economy, it has been recognized as of a crucial factor for the fight against poverty. Furthermore, in numerous settings, the growth of global markets and the greater competitiveness required of firms have led to an “informalization” of labor relations and business relations among firms whose nature and extent were difficult to predict until a few years ago.

From the theoretical point of view, although the search for criteria with which to define the informal economy has made important progress, it does not seem to have reached the level of abstraction necessary to give general validity to the concept. For this reason, still today, a less ambiguous definition of informal economy is made largely by default. In fact, informal employment is nearly always defined by what it is not, that is, economic activities and employment that are not recognized, or protected, within legal frameworks. In this sense, the informal economy includes activities and employment that take place outside the pale of formal regulation (European Commission 2007; Grabiner 2000; ILO 2002; Portes and Haller 2005). The “default definition” is not the only way to define the informality, but it seems to be the only one that makes it possible to distinguish the informal and formal parts of the economy in all settings.³³ However, the prevalence of this kind of definition should not induce underestimation of the advances achieved in knowledge and understanding of what constitutes the informal economy. As already said,

since the 1970s, numerous empirical studies have been conducted on the topic, and they have described a broad range of activities and jobs that belong in the informal economy. The discovery of a multiplicity of forms has been accompanied by the discovery of a series of distinctive aspects, although these should not be indiscriminately associated with all the various types of informality. Hence, the distinctive features of activities whose essential purpose is self-subsistence (such as those undertaken, in many parts of the world, by street vendors, shoe-shiners, and garbage collectors) are not the same as those recorded in the case of homeworkers and workers in sweatshops, who often are “disguised wage workers” in production chains. At the same time, different aspects characterize self-employed workers in microenterprises operating on their own or with contributing family workers or, sometimes, few informal employees.

Over the years, therefore, knowledge and the capacity to differentiate and segment the informal economy into its various facets have expanded. Numerous empirical studies have plotted a “map of informality,” but also of the problems that have emerged with the different forms and the possible measures to resolve, or at least reduce, them. This has also led to greater diversification in analyses of the phenomenon (the labor market, policy measures, and changes in corporate organization). This differentiation, which has occurred at various levels, has been particularly useful because different needs and different problems correspond to different types of informality. The increasing evidence and awareness of the porous and uncertain boundaries between the informal and formal (or regular) parts of the economy have also made it possible to abandon purely dichotomous views of the informal economy by moving the “empirical lantern” (Hirschman 1998, 88) to the penumbra, which, for some time, has obscured the interconnections between informality and the formal part of the economy.

The endeavor to go beyond dichotomous approaches by analyzing the informal economy, and its complex forms and relationships with the formal economy, has been evident in the new approach promoted by the ILO, that is the international organization that, since the 1970s, has been most concerned with the phenomenon and the dilemmas connected with it. The 2002 International Labor Conference was the official occasion in which the notion of the informal economy was profoundly revised. The report prepared by the ILO expressly stated that there was no dichotomy between the formal and informal parts of the economy. In this regard, the ILO propounded a model in which “formal and informal enterprises and workers coexist along a continuum, with decent work deficits most serious

at the bottom end, but also existing in some formal jobs as well, and with increasingly decent conditions of work moving up the formal end” (ILO 2002, 4). In this new model, the theme of the informal economy was closely connected with the theme of “decent work.” The ILO’s aim in fact was to promote the “decent work” along the entire continuum from the informal to the formal end of the economy, and in development-oriented, poverty reduction-focused, and gender-equitable ways. Although many of the conditions preventing full accomplishment of a situation of “decent work” are not exclusive to the informal economy, the ILO maintained that critical situations in terms of decent work deficits were concentrated in informality. Along the informal/formal continuum, it was therefore the informal part of the economy that comprised the majority of decent work deficits: poor quality, unproductive and un-remunerative jobs that were not recognized or protected by law, the absence of rights at work, inadequate social protection, and the lack of representation and voice. For this reason, the informal economy was the main area in which to promote interventions aimed at increasing decent work situations.³⁴ The informal economy is today seen by the ILO as an amorphous set of relations that includes the following:

- Informal employment (without secure contracts, worker benefits, or social protection), both inside and outside informal enterprises.
- Informal employment in informal enterprises, including employers, employees, own-account operators, and unpaid family workers.
- Informal employment outside informal enterprises, including domestic workers, casual or day laborers, temporary workers (excluding those covered by labor legislation and statutory social protection benefits), industrial outworkers (including homeworkers), and unregistered or undeclared workers (ILO 2002, 12).

Despite the heterogeneity of the informal economy, the ILO suggests that there are meaningful ways to classify its component segments, including, for instance, by type of economic unit and by employment status.³⁵

The new approach advocated by the ILO is part of a quite widespread tendency to pay particular attention to the segmentation of the informal economy, and therefore to the various features and needs that define the different segments. Chen (2006), for instance, has argued that accentuated segmentation—together with significance and permanence and the continuum of economic relations—are the three principal features of the most recent examples of informality. As regards segmentation in

particular, Chen emphasizes how the occupational status of workers in the informal economy is fragmented.³⁶ According to the Author, the increasingly numerous empirical studies, that confirm the growing segmentation of informality, has lent support to the arguments of those who advocate “eclectic” approaches to the informal economy. She mainly refers to approaches that are potentially able to integrate the different interpretations put forward by the three main schools of thought that characterized, in the last 40 years of the twentieth century, studies on informality (the so-called dualist, structuralist, and legalist approaches). The attempts to make integrated use of knowledge about (and interpretations of) the informal economy contribute to focus the debate on the assessment of both the relative size and features of the different segments of informality, and the factors that influence them.

The destructuring and fragmentation of the firm and work distinctive of the current phase of economic globalization seem in fact to have further heightened the segmentation typical of the informal economy. According to Saskia Sassen (2007), the recent polarization of income and households is favoring the “informalization” of a range of economic activities, especially in more advanced urban areas. In large cities, the reconfiguration of economic spaces has led to the emergence of a new geography of centers and margins, which, in their turn, reinforce existing inequalities and generate new dynamics of inequality.³⁷ Interesting in this regard is the comparison made by Sassen between the processes of deregulation, which have driven changes in the upper part of the economy, and the “informalization” processes, which instead are producing changes in the lower one. The growth and concentration of highly profitable economic activities and the processes of “gentrification” (Lees, Slater and Wyly 2007; Smith 1996; Wacquant 2008), recently apparent in the great cities of the North and the South of the world, have been accompanied by new urbanization processes, and by an equally striking increase in enterprises with limited or low profit-making capacity and the expansion of low-paid jobs. The consumption needs of the low-income populations of the great cities are at least partly satisfied by manufacturing firms, workshops, small shops, and suppliers of services that operate informally. Although these economic actors record increases in demand for their goods and services, they are unable to compete in the formal part of the economy. As a consequence, they are forced to do their business, or part of it, in the informal economy.³⁸ In these contexts, the process of “informalization” thus becomes a way to produce and distribute goods and services at lower cost and with greater flexibility. The

process entails devaluation and fierce competition among the poor, given lower entry costs and the few alternative forms of employment. In this way, the informal economy enables poor communities to survive, but it may lead to their alienation from the wider world. As shown by Sudhir Alladi Venkatesh (2006) in his ethnographic research conducted in a poor Chicago neighborhood, on one hand, the informal economy seems to be a space forged by exclusion from the social mainstream. "On the other hand, however, meaningful and satisfactory it may be for those involved, this kind of adjustment does little over time to bring about improvement in credit availability, labor force participation, and policing. It does little to leverage more stable and productive relationships with the institutions of the wider world" (Venkatesh 2006, 385–386). In addition, within this group, formed largely of immigrants, women and marginal citizens living in disadvantaged circumstances, relevant differences came to light: for instance, neighborhood and family become once again places of economic activity, creating unexpected opportunities for women, and thus altering the economic relations between men and women (Sassen 2007).³⁹

Other recent studies, mostly ethnographic, have instead focused on the interdependencies among the different forms of informal economy and local, national, and international institutions operating in the market or in the public sphere (e.g., Jacopin and Puex 2002). It has also been shown that global and local dynamics intersect in the migratory processes that characterize new forms of urbanization, and in the formation of popular markets in which legal and illegal goods and services are traded (Pinheiro Machado 2005). The recent restructuring of the urban economy has therefore produced new segments of the informal economy that seemingly interweave in a complex manner with the formal part of the economy. But it also involves major changes in urban labor markets, with an alteration in the gender hierarchy and the role of the family in the urban population formed of low-paid labor.

In more recent years, also Viviana Zelizer has pointed to the informal economy as one of the most promising areas in which to develop multidisciplinary interpretative approaches able to supersede strictly dichotomous accounts of reality. Zelizer has developed the concept of "circuits of commerce" to analyze and explain the interpersonal ties that typically connect people within the setting to different arrays of others both within and outside the setting (Collins 2000; Zelizer 2005). The notion of "circuits of commerce" is proposed as a conceptual tool with which to remove the separation between market and other economic activities that are "peripheral," and therefore considered of scant importance. As it is

highlighted also for the case of the informal economy, this separation has too often induce analysts to consider only transactions mediated by the market as “true economy” and as a generic “other” economic phenomena contaminated by social factors and emotions. In this group, there are activities that, besides having significant macroeconomic consequences, are frequently produced and reproduced within the informal economy.⁴⁰

Both the concept of “circuits of commerce” proposed by Viviana Zelizer, and deregulation/informalization approach adopted by Saskia Sassen look with renewed interest at the informal economy. They bring to light its new segments, new roles, and interconnections with the formal part of the economy. The concept of “circuits” and the processes of deregulation and “informalization” also furnish insights into the changing relations among actors operating along the formal/informal continuum. It is interesting to note that for the purpose of understanding the interactions and transactions that produce and give meaning to “circuits,” and the dynamics of rescaling processes and therefore the relationships among global, supranational, national, and local actors, both Viviana Zelizer and Saskia Sassen emphasized the importance of ethnography as a method able to restore density and richness to the economic and social relations observed.

1.8 How to Approach the Continuing Challenges of Informality?

The foregoing discussion has evidenced the diversity of the theoretical and empirical analyses that have addressed the topic of the informal economy. The latter is a phenomenon with such heterogeneous features that explanation by only one discipline is difficult, and at times superficial. This evidence seems to be more apparent in the current economic and social environment, where changes in work and its organization extend beyond industrial work to affect self-employment and informal activities. The prevailing model of capitalism has restructured and fragmented the firm and work through organizational models based on “lean production,” the increasingly common practices of outsourcing and delocalization, and the expansion of forms of flexible work. In what for convenience is called the “post-Fordist” era, there seems to prevail the process that various researchers have termed the “individualization” of work (Bauman 2000; Beck 1992; Castel 2004; Castells 2000; Sennett 1999). A tendency that, on the one hand, personalizes the supplies of goods and services, giving margins of choice to the consumer, and on the other hand, demassifies

and decollectivizes work, loosening constraints and giving workers greater responsibility (Accornero 2006). The “post-Fordist” era has made work more flexible than in the past, and such flexibility exerts less collective and more individual effects on the worker and on work. In fact, the introduction of flexible forms of work is redefining large part of labor and its protections in the formal part of economy, and, consequently, its boundaries and relationships with the informal part. Individualization therefore concerns both the consumer and the worker, increasingly viewed as a producer-consumer, who can work in the formal economy, but also in the informal one. Also for these reasons, informality has become one of the social phenomena whose complexity has gainsaid the conventional explanations of economic processes. The discussion has demonstrated that neither the highly parsimonious paradigm of the isolated individual driven solely by self-interest, nor a structural view of the informal economy interpreted, first as an “intermediate stage” between a traditional society and a modern capitalist one, and then as a segment detached from, but functional to, the reproduction of the capitalist model of society, have been able to furnish an entirely convincing explanation of the informal economy. Analytical tools, such as the antitheses between formal/informal, legal/illegal, and traditional/modern, have not yielded full understanding of this complex phenomena and their constant interweaving with the formal part of economy.

In the face of rescaling processes that characterize globalization, it becomes important to pay particular attention to the concrete situations in which social actors operate, and to the effects of their interaction. The renewed interest in the informal economy of recent years seems, in fact, to coincide with a tendency to adopt less pretentious explanatory approaches to social realities. Theoretical analysis is centered on the understanding, at least partial, of sectoral or regional phenomena, rather than on constructing master narratives or producing decontextualized categorical assertions. In this scenario, the advice that, around 40 years ago, Albert O. Hirschman gave to those seeking to understand development processes in the less industrialized countries, seems to be still valid. Hirschman suggested, on the one hand, avoiding the so-called economist-tourist syndrome⁴¹ and, on the other, replacing the tendency of many scholars and policy makers to perform the role of the economist-tourist with a propensity for self-deprecation.⁴² For this purpose, it is necessary to deepen the analysis by penetrating the density of social interactions, adopting an approach based as closely as possible on inductive logic, and using an empirical research method that draws on different disciplines.

Accordingly, study of the informal economy seems to highlight the usefulness of a multidisciplinary approach in understanding segmented and heterogeneous social phenomena. In fact, the uncertainty recently shown by economic theory in regard to its ability to explain the informal economy has required a cooperative trade-off between that same economic theory and the disciplines close to it. This cooperation has consisted mainly in the use of interpretative tools borrowed from other social sciences: the analysis of social networks, of the mechanisms that generate actions, and the notion of the economy's "embeddedness" in societies. Investigation of the informal economy has certainly been enriched by these borrowings.

Given the recent economic and social environments seemingly characterized by increasing heterogeneity, instability, and uncertainty, the use of an empirical survey method attentive to "otherness," which observes what is happening in the here and now of everyday experience, can thus increase opportunities for dialogue and understanding among disciplines, and enrich the "toolbox" of social scientists. Hence, ethnography—and specifically economic ethnography as a method of empirical inquiry—seems to be able to reduce the distance among such different disciplines as sociology, anthropology, and economics. It thus favors dialogue and consequently improves the understanding of social phenomena characterized by a large degree of fragmentation (Dufy and Weber 2007). As Saskia Sassen and Viviana Zelizer have already pointed out, ethnography furnishes tools particularly useful for identifying—on the basis of in-depth analysis of interactions and transactions in "dense" social settings—the frames of reference within which such transactions assume the meanings attributed them by those who engage in them. If the ethnographic method is used, broader interpretations and more abstract analysis can be obtained starting from highly detailed knowledge about extremely circumscribed phenomena. Saskia Sassen (2007) has stressed that detailed studies conducted in restricted settings (and especially in urban ones) are able to yield significant information with which develop a more complete picture of the changes and contradictions connected with globalization, of the new geography of centrality and marginality, its segmentation, and the new dynamics and relationships between formal and informal.

In this case, the purpose is not to oppose narrative to modeling but—as Hirschman suggested with reference to a study of the paths of development followed by some Latin America countries—to show "a little more reverence for life, a little less straitjacketing of the future, a little more allowance for the unexpected, and a little less wishful thinking"

(Hirschman 1972, 69). To this end, it may help to set aside, at least provisionally, both the epistemological debates that have frequently widened the divisions among disciplines and the ideological clashes on the nature of the capitalism recently predominant in large parts of the world, on its effects, and on the possible alternatives that, especially in the Latin American countries, have radicalized positions and excessively confused analysis and action. As just stated, economic ethnography—which entails the direct observation of phenomena, ample time spent in fieldwork, and interaction with the subjects studied—may help supersede preconceptions likely to hamper analysis. Moreover, with its particular concern to analyze everyday individual and collective practices and their meanings for those who perform them, ethnography can foster cooperation among different disciplines, so that a richer array of instruments can be used to interpret the empirical phenomena observed. In this sense, the use of ethnography can be seen as resuming Keith Hart's approach mentioned at the beginning of this chapter. When in the late 1960s and early 1970s Hart decided to investigate informal economic activities in Accra, Ghana, he used ethnographic tools. He then wrote the account of his research using some interpretative tools and a scientific language normally used by economists, his purpose being to enlarge the debate, and elicit the contribution of different disciplines toward understanding the phenomenon of informal economy (Hart 1973, 2006).

CHAPTER 2

Catadores and Catadoras (The Garbage Collectors)

On the sidewalks, encased in spotless plastic bags, the remains of yesterday's Leonia await the garbage truck. Not only squeezed tubes of toothpaste, blown-out light bulbs, newspapers, containers, wrappings, but also boilers, encyclopedias, pianos, porcelain dinner services. It is not so much by the things that each day are manufactured, sold, bought that you can measure Leonia's opulence, but rather by the things that each day are thrown out to make room for the new. So you begin to wonder if Leonia's true passion is really, as they say, the enjoyment of new and different things, and not, instead, the joy of expelling, discarding, cleansing itself of a recurrent impurity.

Italo Calvino (1972) *Invisible Cities*.

2.1 Prologue

According to several experts, Brazil could be one of the world's five biggest economies by the middle of this century, along with China, India, Japan, and United States. As the *Economist* pointed out in a recent report on business and finance in Brazil, at the end of 2009 the economic world celebrated Brazil's rapid and good recovery from the deepest financial crisis that had hit the world. The country was one of the last to go into recession in 2008 and one of the first to resume growth in 2009: the economy had shrunk for only two quarters and was growing again in 2010.

This empirical evidence highlights a major difference with respect to the previous external shocks that had hit the country in the recent past. In fact, before the last economic crisis, Brazil had experienced rather frequent external crises over the previous 15 years—Mexico in 1995, Asia in 1997, Russia in 1998, and Argentina in 2001—and in all of them the pattern of adjustment had been similar: a massive loss of reserves, higher interest

rates, and fiscal tightening. Today, the pattern seems to be different: the Brazilian Central Bank has been able to offset insufficient foreign credit by extending credit lines to exporters and by implementing anticyclical monetary policy. In particular, during the period from September to December 2008, it reduced the compulsory reserve requirements for banks, which have traditionally been tight, by some 3.5 percent of the gross domestic product (GDP). The authorities also created incentives for larger financial institutions to purchase the loan portfolios of smaller banks, which suffered particularly adverse effects of the deteriorating credit environment. The fiscal policy responses to the crisis comprised an alleviation of the tax burden on selected sectors, including the motor vehicle and construction industries, and on financial transactions. Cyclical revenue losses associated with the automatic fiscal stabilizers were added to fiscal support, together with an increase in the duration of unemployment insurance and higher spending related to hikes in the minimum wage, in social protection, and in social housing programs (OECD 2009).

This strategy implemented by the Brazilian government was possible mainly because the circumstances were different from those in the past. Some figures may better explain this difference. From 2004 to 2008, Brazil's annual GDP growth rose to 4.7 percent on an average, which was more than double the outturn of the previous five years. In 2009 GDP was expected to shrink by 0.8–0.3 percent. The majority of economists foresaw an increase of 4–6 percent in 2010, while inflation would be reined in at about 4 percent. In 2007 foreign direct investment (FDI) was 30 percent up on the year before (even as FDI inflows into the rest of the world fell by 14 percent). Brazil is already self-sufficient in oil, and the discoveries of vast offshore deposits made in 2007 by Petrobras—Brazil's state-owned oil company—are likely to make the country a major oil exporter by the end of the next decade. But it's also important to notice that Brazil has the highest share of renewable energy in power generation of any big economy. In addition, the worldwide boom in commodities gives to the country the opportunity to capitalize properly on all the wealth in this sector: the country is already the world's largest exporter of coffee, sugar, chicken, beef, and orange juice. It also exports vast amounts of soy, iron, ores and metals, as well as water and other farming goods (*Economist* 2009, 3–18).

All these positive developments are mainly due to Brazil's economic stability and some reforms introduced by its latest governments, which since 1999 have developed a policy framework combining inflation targeting, a floating exchange rate, rules-based fiscal policy making, and

prudent public debt management. Specifically, Brazil's monetary policy framework changed radically when the Real (R\$)—the country's present-day currency—was allowed to float freely.¹ A series of reforms carried out during Lula's two presidential terms (2003–2007, 2007–2011) have helped the Brazilian economy to achieve further progress. In general, this policy framework has delivered gradually falling inflation and public indebtedness, and has reduced external vulnerabilities. Moreover, the Lula's governments have developed a series of social policies, which are producing good results (e.g., the so-called *Bolsa Família*, a program of cash transfers to those families lower down the income scale).

Notwithstanding these improvements, various serious problems remain. According to the *Economist's* report, the country has not invested enough and has long-standing gaps in policing, education, and health care to fill, and productivity growth is still too slow. The legal system continues to be unsatisfactory. Land reform has often been announced, but never approved. Several dysfunctions remain in the infrastructure system. The fiscal system and the Brazilian labor law maintain several significant problems: a recent World Bank survey on doing business ranked Brazil one hundred fiftieth out of 183 countries on how easy it is to pay taxes (World Bank 2010). Moreover, in the medium-to-long period, the economic improvements achieved by Brazil have been moderate, especially if they are compared with the performances of other emerging countries. Relatively minor economic growth has been reflected in the scant creation of jobs, with a consequent increase in the unemployment rate.

This tendency strengthened further during the 1990s, when a new model of economic development began to prevail in the country. This was, in fact, the period when the state's role in the economy was profoundly revised through the rationalization of public spending, the privatization of numerous public-owned enterprises, and the deregulation of markets. The greater openness of markets to external competition fostered a major reorganization of industry and the firms' system. In those years, the tertiary sector became significantly important for the Brazilian economy. As regards government action in pursuit of economic development, the 1980s and 1990s were marked by the progressive abandonment of interventions designed and implemented at the national level, with the consequent spread of local-level ones. These schemes encouraged the birth and consolidation of forms of local development that in some cases were exemplary in the degree of improved economic performance that they achieved (Humphrey and Schmitz 2002; Locke 2003; Nadvi and Schmitz

1994; Schmitz 1995; Tandler 1998). At the same time, however, they did not have the capacity to remedy the structural problems that characterized, and to a large extent still do, the Brazilian economic system (e.g., the wide disparities in the distribution of income, wealth, and power).² With regard to this topic, various commentators have pointed out that three interventions are absolutely necessary to make development more economically and socially sustainable: first of all, an agrarian reform; secondly, a fiscal reform that introduces a system of progressive taxation for the highest incomes; finally, a social reform able to ensure full and effective access to social rights for all (Pochmann 2008).

2.1.1 The Labor Market in Brazil: An Outline

Besides the country's economic performance, the various phases in the transformation of the production system have obviously also had effects on the Brazilian labor market. On analyzing the trend of the labor market in the period 1930–2006, Marcio Pochmann (2008) has noted the existence of distinct movements in the overall pattern: the period 1930–1985 was characterized by a process, though incomplete, of labor market structuring, with increased jobs in the formal or regular part of the economy, particularly in the industrial, manufacturing, and public sectors; in the mid-1980s there instead began a “destructuring” process that created new jobs in the informal economy and increased nonstandard employment relationships, especially in the tertiary sector.³

The main sources of statistics on the labor force and employment in Brazil are (1) the *Pesquisa Nacional por Amostra de Domicílios* (PNAD), a survey conducted by the *Instituto Brasileiro de Geografia e Estatística*, IBGE (the Brazilian Geography and Statistics Institute); and (2) the *Relação Anual das Informações Sociais* (RAIS) issued by the *Ministério do Trabalho e Emprego* (the Brazilian Ministry of Labor).⁴

Both sources have reported significant growth of formal employment at least until the 1980s (on an average, the annual rate of employment growth was above 3.5 percent during the 1980s), followed by a stop-and-go trend in the 1990s and the early 2000s (when periods of employment growth, though modest, alternated with downturns). The 1990s were constantly characterized by near-zero growth (if not a decrease) of employment in the formal or regular economy, which coincided with the scant growth of GDP, the abovementioned deregulation processes, and significant restructuring of the production system. The 1990s, in fact, saw the halt of the long, positive trend of employment

in industry ongoing since 1930 and the first great national industrialization programs launched in that year. From 1999 onward, the statistics record a further change of trend, with another upturn in employment in the formal part of the economy (two-thirds of the new jobs created in recent years have been in the regular economy).⁵

The positive results recorded by the Brazilian labor market in the period 1999–2006, however, do not seem sufficient to demonstrate that the “detructuring” of the Brazilian labor market, which began in the early 1980s, has gone completely into reverse. In this regard, various long-period analyses of the labor market have evidenced that, in the recent past, there were already periods in which jobs increased in the formal sector (e.g., the period 1983–1989); yet this positive performance did not substantially halt the “destructuring” process (Krein 2001; Mattoso and Pochmann 1998; Pochmann 2008).

As regards the informal economy, Brazil, like many other countries in the South of the world, has had problems with statistical definition of the phenomenon and its measurement. Since 1992, however, the PNAD household survey has compiled a database that yields detailed information on the economic status of individuals and households in Brazil. These data have enabled researchers to compare estimates on the informal economy deriving from the use of different definitions of it. As already stated in the previous chapter, three definitions have been most frequently used when estimating the informal economy in recent years:

- Informality according to a contractual status criterion. Workers are classified as informal if they do not have a signed labor card in any employment.
- Informality according to a social security status criterion. Workers are classified as informal if they do not pay contributions to a social security institute (federal, state, or municipal) in respect of any employment.
- Informality according to an economic activity criterion. In this case, informality includes own-account workers and those in small and microenterprises. Small and micro are usually defined arbitrarily. In many cases, however, informal economy includes workers employed in a firm with fewer than five employees. Moreover, with this definition, self-employed workers and employers are defined as formal if their occupation is “creative and technical” or “administrative” (to capture “professional” activities), while all domestic, nonremunerated, and temporary workers are classified as informal

workers—since no information about employer size is available for them (Henley, Arabsheibani and Carneiro 2009).

In general, surveys and studies showed that the informal economy has constantly performed an important role in the evolution of the Brazilian economic and productive system since the large-scale programs of industrialization and economic development that began in 1930. Various researchers have emphasized that even during the period dominated by the national industrialization programs (1930–1980), and by the consequent growth of salaried employment, only some of the large mass of people who moved from rural to urban areas found jobs in the formal part of the economy (Cacciamali 1992, 2004; Furtado 1970). The rest were employed in informal economic activities, and they swelled the reserve of labor available to the formal system of production. This availability of labor has been one of the factors that have enabled Brazil to increase its level of industrialization, but, in this process, the country didn't lose some of the negative characteristics of the preindustrial period, such as a high occupational turnover, the predominance of low wages and, exactly, the existence of a large informal economy (Furtado 1970).

As already mentioned, in the early 1980s there began a profound “destructuring” of the Brazilian labor market, which boosted the number of people employed in the informal economy. On the other hand, the 1990s were characterized by an increase in the unemployment rate, the creation of a small number of jobs in the formal part of the economy (the majority of them of medium-low quality), and a growth of informal jobs. During that period, therefore, the informal economy was more dynamic than the formal sector with regard to employment creation. Between 1993 and 1999, the IBGE has estimated a 1.7 percent average increase in employment in the informal economy, but an increase of only 0.9 percent in the formal. The growth of informality has been attributed to various causes. Labor legislation, considered unsuited to the new needs of the productive system, and the excessive cost of labor are the two factors most frequently cited in explanation of the important role of the informal economy in the Brazilian economic system. For this reason, it can be useful to add some information on the Brazilian labor law and industrial relations system.

In Brazil, the first significant regulation of work in the private sector was introduced in the 1930s by the *Consolidação Leis do Trabalho* (CLT), a labor code that also comprised the legal procedures for labor cases. Getúlio Vargas approved the CLT during the years when he governed

Brazil as the head of its dictatorial regime (1930–1945); he considered it one of the elements on which to base the country's modernization. In fact, the CLT institutionalized both employment relationships and the social protection system for private sector workers, mainly those employed in urban areas (so-called salaried workers). Also, the Brazilian trade union system was controlled in accordance with the modernization goals set by the dictator Vargas. The new system was based on the corporatist idea of transforming trade unions into public bodies, with the aim to “normalize” and disempowered the conflict and the class struggle.

The CLT stipulated the official registration of all contracts of employment through an obligation on employers to provide a signed *carteira de trabalho assinada* (labor card). The card states the conditions of employment for all employees. Registration of a labor contract confers legal entitlement to a range of contractual provisions, including a maximum working week, paid vacations, maternity leave, due notice of dismissal (proportional to seniority), a minimum overtime premium, and compensation in the event of nonjustified dismissal.⁶

The labor code promulgated by Vargas maintained its principal provisions almost unaltered for around 50 years, until the proclamation of the Federal Constitution of Brazil (1988). These were the years of transition to a democratic regime (and therefore characterized by profound institutional changes), but also—as said earlier—the years of an economic crisis due to a mounting foreign debt, which aggravated many of the social problems that emerged, and then consolidated, during the period of military dictatorship. Also for these reasons, at the time of the 1988 Federal Constitution's drafting, the intention was to both limit the flexibility of the formal labor market (by including some principles from the CLT in the Constitution) and create a universal system of social protection. The latter intention was never fulfilled, however, mainly because of the state's growing financial and administrative difficulties, increasingly unbalanced economic development, and the resistance to change raised by influential political and economic elites.

In Brazil, social protection is provided through individual employee membership of a social security fund administered by the *Instituto Nacional do Seguro Social*, INSS (the National Social Security Institute).⁷ In practice, the social security system has been divided into two distinct segments over the years. On the one hand, social policies have been strictly “paternalistic” and entirely geared to the objective (anyway ambitious) of satisfying the primary needs of the poorest strata of the population. On the other hand, those with sufficient income to pay for their own social

protection have been encouraged to use the services offered by the private sector. The state's difficulties have therefore been manifest in the reduced coverage of the national social security system and in the promotion, among workers with sufficient resources, of private (individual or collective) social protection schemes tied to employment.

Concerning employment relationships, the rules partly modified by the 1988 Constitution have shown various flaws in governing labor relations. For instance, dismissing workers in Brazil is still complicated. As stated, the law provides for compensation in the event of dismissal without just cause: the 1988 Constitution increased the compensation received by the employee dismissed without just cause (from 40 to 50 percent of his/her cumulative contribution to the *Fundo de Garantia por Tempo de Serviço*, FGTS).⁸ As Ricardo Paes de Barros and Carlos Henrique Corseuil (2001) noted, the effect of the change was to reduce the length of tenure needed to accumulate a compensation amount equal to one month's salary from at least ten years to only two and a half years. "At face value this would appear to amount to a substantial increase in employer firing costs, but in practice it creates the potential for collusion between employers and employees whereby voluntary quits are registered as dismissals. This is because contributions to the FGTS are held in a separate fund and are sunk costs for the employer, who has nothing to lose from helping the employee to gain access to his or her accumulated FGTS contributions. This system therefore creates an incentive to quit on the part of employees" (Henley, Arabsheibani and Carneiro 2009, 995).

More generally, Brazilians even today have to cope with features of the government bureaucracy that, around 50 years ago, earned the country the epithet of *estado cartorial* (notarial state), as Helio Jaguaribe noted in 1958 (Hirschman 1961). Brazil's laws permit almost limitless appeals, and the backlog of cases is enormous. Moreover, inefficient bureaucratic and clientelistic practices are still predominant: the system of laws and its mechanisms of application and enforcement are ineffective and not always suited to the needs of the majority of the population. However, the problems related to labor laws, their enforcement, and the high cost of labor are important, but not sufficient, factors to explain the spread of informality in Brazil.

As shown in the previous chapter, informality may stem from a multiplicity of motivations and reasons. For instance, various commentators have attributed the growth of the informal economy during the 1990s to

the advance of “tertiarization,” the loss of jobs in the economy’s formal part due to the profound processes of corporate restructuring, and retrenchment of the public sector.

As said, despite the critical features apparent in the structures of the Brazilian productive and regulation systems, in more recent years, the ratio between the growth of employment in the formal part of economy and the informal economy seems to have reversed. Between 2000 and 2006, in fact, employment in the formal economy began to grow again, while the growth of jobs in informality decelerated (CEPAL, PNUD and OIT 2008). Specifically, the proportion of workers holding a labor card increased from 30.7 percent in 1999 to 35.2 percent in 2006. If the criterion relative to enrolment and the payment of the contributions into the social security fund is used instead, contributors increased from 45.4 percent in 1999 to 50.5 percent in 2006.

With regard to the economic activity criterion on which the definition of the informal economy can be based, in 2003 the IBGE surveyed more than 10,500,000 small firms operating in various productive sectors (except agriculture).⁹ Of these firms, 98 percent were informal in 2003, while the figure in 1997 had been 99 percent. In the same year, informal enterprises operated mainly in commerce (33 percent), construction (17 percent), and the manufacturing and extractive industries (16 percent); 95 percent had a single owner, and 80 percent had only one employee. Productive activity took place externally to the informal worker’s dwelling in 65 percent of the cases surveyed, only at his/her dwelling in 27 percent of cases, and both externally and internally to the dwelling in 8 percent of cases. Between 1997 and 2003, moreover, informal enterprises recorded an increase in the number of hours worked per day by their employees: 44 percent of informal workers had a working week that varied from 40 to 60 hours, and 67 percent worked between 21 and 30 days a month. In 2003, on an average, the monthly income earned by persons (excluding the employers) working for informal enterprises was R\$363 for men and R\$338 for women (a decrease with respect to 1997, when men earned R\$393 a month and women R\$339).¹⁰ As regards financial aspects, in the three months prior to the survey, the majority of informal enterprises (94 percent) had not taken out any form of credit; those that had done so had resorted mainly to public or private banks (58 percent), to their own suppliers (16 percent), to friends or relatives (16 percent), or to other subjects (10 percent).

As noted by Andrew Henley, G. Reza Arabsheibani, and Francisco G. Carneiro (2009), the different measures of informality capture partly different groups of workers. These authors used data from the PNAD surveys (for the period 1992–2004) to construct three measures of informality intended to reflect the various alternatives used in the literature: that is, they referred to the three criteria mentioned earlier (measure A based on contract status, measure B based on social security status, and measure C based on economic activity size). They found that around 63 percent of all economically active persons in Brazil were informal workers according to at least one of the three definitions, but only 40 percent were informal according to all three definitions. Henley, Arabsheibani, and Carneiro pointed out that there were incomplete overlaps among the different measures, and for some groups the overlap might be quite limited: the measures of informality based on contract and social security status (A and B) might distinguish very different groups of workers compared with the measures based on economic activity (C). In particular, both in 1992 and 2004, around 40 percent of the sample were classified as informal on all three measures. There was a significant proportion of workers who were classified as informal on the basis of having no signed labor card and no social security coverage, but who fell into the formal category under the measure based on activity. A total of 9.9 percent of the sample in 1992 and 10.5 percent in 2004 belonged to one of the categories of informality, but to neither of the other two. “The largest component of this group, particularly in 2004, consisted of workers who were classified as informal on the basis of activity, but had a signed labor card and social protection—domestic and temporary workers formed a significant part of this group” (Henley, Arabsheibani and Carneiro 2009, 998).¹¹

In general, therefore, these studies highlight that there may be marked differences, also in quantitative terms, among the various segments of the informal economy—differences that also exist when estimates on the informal economy as a whole are instead rather stable. For this reason, as already emphasized in the first chapter, in order to understand informality it is increasingly necessary to consider wider, encompassing measures of the informal economy.

Over time, the informal economy in Brazil has assumed different forms, dimensions, and meanings. Besides the uncertainties due to its different measurements, the informal economy seemingly maintains a multiplicity of sometimes conflicting meanings. On the one hand, for

instance, it may represent an enormous “reservoir of unutilized wealth” (de Soto 2006), with resources to date little used (or used inappropriately). On the other hand, informality may turn into a domain largely closed to the outside, in which sections of the population excluded from the recent processes of economic globalization drag out their lives with no chance of planning a different future, reinforcing, in this dimension, their condition as noncitizens (Beck 2006). But, in practice, what are the daily behaviors of the social actors in specific contexts of informality? What institutions regulate transactions in the various forms of the informal economy? What meanings are assumed by informal economic transactions for those who perform them in everyday routine? When and how can the resources constituting the informal economy be mobilized to foster economic growth and social emancipation? As will emerge from what follows, these were some of the questions that I had in mind at the beginning of this work and that I shall seek to answer, even if only partially, by recounting specific cases, describing small but densely interwoven facts, delving into details, and meeting humanity face to face.

2.2 The First Encounter with the Garbage Collectors

I believe many aspects, small and large, strike observers from the “first world” when they walk down a street in any large Latin American city: disorder and vitality; creativeness and uniformity; modernity and backwardness; soaring skyscrapers as immense as the life histories of the huge and heterogeneous mass of people running, walking, selling, begging, praying, and living amid those great steel and glass buildings. As dusk falls, even the most distracted observer cannot fail to notice how the “human morphology” that animates the street radically changes—and especially at the hearts of the metropolises where the great offices of the government and private companies are situated. The workers who begin, hurriedly or leisurely, to leave their great workplaces and head toward public transport are replaced by new inhabitants of the street: men and women, young and old—the majority of them in threadbare clothing; some of them pushing handcarts, and others dragging large plastic bags, all heading for the rear entrances of the great administrative and commercial complexes where they will patiently wait until the janitors have brought out the day’s waste. Those sacks of rubbish will shortly become the work materials of the *catadores* and *catadoras* (garbage collectors), and for many of them, their only source of sustenance.¹² Once recyclable items

(mainly paper, cardboard, aluminum, glass, and different types of plastic) are separated from the material destined for the rubbish dumps (organic waste and nonrecyclable refuse), the garbage collectors load them onto heavy handcarts or horse-drawn wagons for transport to depots, sometimes located a long way from the city center, where they will be sold. These, therefore, are inhabitants of the city for whom scavenging is an everyday strategy for survival.

During the days that I spent in Rio de Janeiro, I often had occasion to observe the work of these informal garbage collectors, who would appear at sunset in the center of the metropolis and then vanish in late evening. I watched as they and their overflowing handcarts contended for space on the road with bus drivers and motorists exasperated by the day's work and the city traffic. I was often left with mixed feelings of sadness, admiration, and amazement: who were these garbage collectors? How did they handle their strategies for survival? Did they form a homogeneous group of workers operating in similar conditions, or did they operate as autonomous workers, characterized by very heterogeneous working conditions? These questions accompanied me as I journeyed to Porto Alegre, where, after only a couple of days, they took a more precise form. In the capital of the Rio Grande do Sul the presence of the garbage collectors was striking. Indeed, the visual perception of the phenomenon was more vivid in Porto Alegre than in the *cidade maravilhosa* (marvelous city, the usual epithet for Rio de Janeiro). Some differences were immediately evident. At Porto Alegre, the streets were used by the so-called *carrinheiros* (garbage collectors with handcarts, often made of metal), but also by the *carroceiros* (garbage collectors with decrepit horse-drawn wagons). While in Rio de Janeiro the *catadores* appeared in the main streets only at dusk, in Porto Alegre they could be seen on the streets of the city center (and elsewhere) from the first light of dawn until late at night.

Geographically, the capital of the Rio Grande do Sul—which in 2004 had around 1,400,000 inhabitants—extends from the beginning of the river Jacuí delta; the city is built on a large archipelago of islands, the majority of them inhabited and connected with each other and to the mainland by a series of road bridges. The center of the city has a narrow elongated shape, and it is bounded by hills on one side and the river on the other. As a consequence, the streets traversing the center and connecting it with the city's other districts constantly rise and dip.

The garbage collectors pushed their handcarts along these undulating roads, recovering recyclable waste from the rears of shops or the entrances



Photo 2.1 *Carrinheiro* in the center of Porto Alegre

to large buildings or the sidewalks, where the residents placed plastic bags of refuse for collection. The majority of the city's inhabitants seemed not to notice the presence of the *papeleiros* on the streets, as if they were an integral part of the urban environment, or perhaps a feature that, despite its high visibility, they thought better to ignore. As I walked the streets of Porto Alegre, I never saw a garbage collector conversing with a passerby or a shopkeeper. I rarely met *catadores* talking to each other—they all seemed intent on their search for recyclable materials and on maneuvering their heavy handcarts or wagons (see photo 2.1).

During my first days in Porto Alegre, I noticed that while the handcart-pushing garbage collectors worked the city-center streets practically all day, those with wagons were more common in the early hours of the morning and at the end of the day (see photo 2.2).

Moreover, I frequently saw processions of wagons trundling across the road bridges connecting the mainland with the islands of the archipelago. The wagons loaded with waste were usually making their way slowly to the islands, while the more agile empty ones were heading for the mainland. As the hours and the days passed, my notes were enriched with further details: I observed, for instance, that most of the handcarts had the same metallic structure and, despite wear and tear, had all evidently once been painted green. This uniformity suggested the existence of a single distributor (or anyway a small number), so that the street waste collectors



Photo 2.2 Carrinho (wagon) parked along a central street of Porto Alegre

were not the owners of their handcarts. The wagons instead seemed to be all different: some were made completely of wood, others of iron, and yet others were divided into compartments for the different types of material collected. Most of them had hooks attached to their sides, on which the drivers hung large numbers of plastic bags so that they could increase their loads without making the wagon dangerously top-heavy. The *carrinheiros* seemed to work alone, while there were always at least two people on the *carroceiros'* wagons, one of them often a youth or a child (see photo 2.3).

Some details, heard before they were observed, heightened my curiosity in these waste collectors, their work, and their working conditions. I had accommodation on the fourth floor of a small apartment block overlooking one of main streets of one popular district of Porto Alegre. From there, mainly thanks to my sense of hearing, after a few days I realized the groundlessness of one of my initial hypotheses, namely, that the activity of the *papeleiros* had taken the place of the public sorted waste collection service. On alternate days, in fact, my wake-up call was the clattering of horses' hooves on the asphalt. This noise was followed, around 15 minutes later, by the unmistakable sound—or unmistakable for me, an inhabitant of a country belonging to the so-called “first world”—of rubbish trucks, with their familiar stop-and-start progress along the street, and the shouts of the operatives hanging on the back and collecting plastic



Photo 2.3 *Carroceiro* along a street that conducts to the Porto Alegre outskirts

bags of rubbish. My auditory impressions were confirmed by the information that the public waste disposal service—run by the *Departamento Municipal de Limpeza Urbana*, DMLU (Municipal Waste Management Department)—also included the collection, on different days of the week, of sorted garbage, put in plastic bags and left on the sidewalk. The temporal sequence of these different actors (first the *carroceiro*, then the rubbish truck and the shouts of the DMLU operatives) raised further doubts: did a market for urban solid waste exist? Did the *carroceiros*, the *carrinheiros*, and the public service compete with each other? Or did some sort of agreement regulate their respective actions?

Despite increasing doubts, the numerous features apparent after my first days of observation might already have induced me, as an external observer, to interpret the informal collection of recyclable waste as a phenomenon with interesting anthropological and social (even bizarre) features, but substantially indicative of social and economic backwardness, whose overcoming seemed essential to achieve full modernization. However much this interpretation may have been correct, as a social scientist, I was morally and professionally obliged to doubt, to listen, to observe more carefully, and to understand, before jumping to conclusions. Albert O. Hirschman (1963; 1971), with all his experience as an attentive observer, stressed the usefulness—especially in contexts where economic and social development was incomplete, or growth strongly

imbalanced—of heeding the teachings of reality more closely, focusing on interactive processes, and setting aside the coercive theoretical schemes that sometimes hindered the understanding of social phenomena rather than facilitating it. It may therefore be reductive to squeeze interpretation of a phenomenon of informality like that of the garbage collectors into rigid definitions. It should first of all be described and interpreted in relation to the social actors involved, their schemes of action, their interactions, and the context in which they act.

The aim of my empirical research became that of describing how the *catadores* phenomenon was socially reproduced, and of understanding the combination of various factors that made up the logic of the situation. Italo Calvino (1969, 88) said that “to describe is to try out approximations which bring us ever closer to what we want to say but, at the same time, always leave us a little dissatisfied, so that we must constantly observe again and find out how what we have observed can be expressed better.” It is therefore necessary to engage in the exercise of understanding people (Geertz 1973), which is impossible without interacting with those people from a human point of view. Only after the point of view of the participants has been understood, in fact, can it be transferred to a broader context that is not necessarily theirs.¹³ Consequently, essential for my empirical study in Porto Alegre were tools typical of ethnographic research: participant observation especially, but also passive observation; documentary analysis; and semistructured and in-depth interviews.

Using the information gathered with these tools, I shall describe the social interactive processes that constituted the garbage collection phenomenon in Porto Alegre. I shall do so not by defining its generative factors *a priori* as by narrating the phenomenon. At the basis of this specific study (and, more generally, of this book), there is not, therefore, an ambition to construct an interpretative paradigm of universal reach, but rather a desire to narrate a social phenomenon made up of interactions among people. I shall not seek to produce a general theory of the social order in the informal economy. Instead, I shall pursue the more modest goal of increasing knowledge about contextually determined forms of the informal economy. However, if good descriptions are to be obtained, it is first necessary to contextualize the social phenomena that one intends to observe within specific space-time coordinates. Before embarking on the real narrative, therefore, I must define sorted waste disposal, its general qualitative and quantitative dimensions, especially concerning Brazil, the

local contexts of the state of Rio Grande do Sul, and the city of Porto Alegre.

2.3 The Sorted Collection of Solid Urban Waste in Brazil: An Outline

Since the 1970s, a series of initiatives promoted by the United Nations have been particularly concerned with environmental issues. They have encouraged the development of public policies intended to reduce the harmful effects of accelerated and unregulated urbanization, especially in the countries of late industrialization (Alva 1997; Gutman 1982; Jacobi 1993; Seabra 1991).¹⁴ The problems of managing urban waste have worsened with the advance of urbanization, the invention of increasingly resistant materials, and the profound changes in lifestyles. The issue of waste disposal has become part of a debate that seems to extend beyond ecological and environmental questions and opposes different conceptions of modernity and so-called postmodernity. For some scholars, the issue concerns the “culture of growth” and the “culture of sobriety” (Viale 2008) or, from a different point of view, between “growth” and “degrowth” (Latouche 2008).¹⁵

From a practical point of view, the management of urban waste has become an important factor in the definition of levels of “urban livability” in the North and the South of the world. Recent reports recount situations of “ordinary urban emergency” often provoked by inefficient systems of refuse management and disposal. Media documentaries sporadically describe stories of human desolation and obstinacy among the shacks of Kibera (Nairobi, Kenya), one of the most notorious of the slums that have proliferated on the garbage tips of the great cities of the world’s South. Yet at the end of 2008, Italian and foreign newspapers and television broadcasts transmitted around the world the disconcerting spectacle of a large city (Naples), in one of the most economically advanced countries (Italy), buried under tons of garbage. Despite their distinctive features, these stories highlight the increasingly global dimension of the problems provoked by the lack of suitable plans of action to deal with urban and industrial waste.

Focusing the attention to Latin America, after the severe economic crises that hit the continent during the 1980s and 1990s, provoking high rates of unemployment, many areas previously used for the disposal of urban waste became the only places where the poorest members

of the population (the main victims of the negative economic cycle) could find some hope of survival. Whole families transformed open-air rubbish dumps into their homes and their places of work and sustenance. The collection of recyclable refuse by the poor and jobless rapidly spread from outlying rubbish tips to inner districts of the large South American cities.

In Brazil, the headlong economic growth of recent years has been reflected in a striking increase in the production of solid urban waste: between 1992 and 2000 the Brazilian population grew by around 16 percent, while in the same period the generation of solid urban waste increased by 49 percent (Ribeiro and Bessen 2006, in Waldman 2008). The production of waste per inhabitant in Brazil is still less than that in the more industrially advanced countries, but it outstrips production in many other developing countries.¹⁶

The imbalances that still characterize various aspects of the Brazilian economic and social system are also apparent in the country's waste recycling system. In recent years, according to data collected by the *Compromisso Empresarial para a Reciclagem* (CEMPRE) Association,¹⁷ the recycling of solid urban waste has grown significantly: in 1999, the material recycled in Brazil accounted for around 4 percent of the urban refuse produced during the same year; in 2005, the percentage rose to 11 percent. Moreover, Brazil ranks high in various classifications of waste recycling performance: in 2005, for instance, around 96 percent of used aluminum cans were recycled in Brazil (92 percent in Japan, 52 percent in the United States and in the European Union). In 2007, in Brazil, 47 percent of PET packaging was recycled,¹⁸ 29 percent of scrap metal, and 45 percent of glass (CEMPRE 2007). This positive performance by the Brazilian waste recycling industry can suggest that the country has an efficient system for the collection of sorted urban waste, one able to maintain a constant supply to the industry that transforms waste into "secondary raw materials" (Backs Martins 2003). But the data on the development of systems for the collection of sorted urban waste reveal a number of contradictions. In 2004, only 451 of the 5,507 Brazilian municipalities had developed a program of this kind (Ministério das Cidades 2006). In the same year, around 64 percent of urban agglomerations used open-air rubbish tips (the majority of them irregular) for the disposal of urban waste and only 32 percent had buried waste sites certified by the national health authority (IBGE 2004). Even where sorted collection programs had been introduced, they frequently did not cover

the entire urban territory, excluding the poorest districts from the service (Dagnino 2004). The collection of sorted urban waste was managed to a large extent by publicly owned enterprises operating in the country's southern and southeastern regions. In the state of Rio Grande do Sul, the density of sorted waste collection programs appeared greater than in other Brazilian states: the 138 municipalities of Rio Grande do Sul, in fact, represented 31 percent of all the Brazilian municipalities providing the service (IBGE 2000).

Although there were regions of the country where sorted waste collection was more frequent, the amount of material collected was decidedly low: on an average, in 2003, the municipalized enterprises collected around 2 percent of the total solid recyclable waste produced in that year (Waldman 2008). These estimates reveal a paradox: Brazil is one of the countries in the world that recycle larger amounts of waste; at the same time, it has a system for the collection of solid urban waste that furnishes only a residual amount of material to the recycling industry. How can this apparent paradox be explained? By the existence of a "circuit" alternative to the official waste collection; this consists of the labor of the garbage collectors. Various nongovernmental organizations—actively concerned with the problem for some years—estimated that, in 2006, around one million people survived by relying on garbage collection (in 1999, they were estimated at 150,000; in 2004, at around 500,000). *Catadores* are present in 37 percent of Brazil's state capitals, and in 68 percent of its cities with more than 50,000 inhabitants (Magera 2003).

The collection of solid urban waste by workers in the informal economy is therefore a quantitatively significant phenomenon. But also important are the qualitative aspects. Issues to do with environmental protection and "urban livability" are inextricably bound up with issues to do with the employability and living and working conditions of large numbers of people excluded from modernization.

Unraveling these issues is a complex process. Consequently, before addressing these difficult and important problems, I shall briefly describe the microdimension, my purpose being to show the social practices whereby some Brazilian garbage collectors engage in the informal collection of solid urban waste. What are the everyday routines of the informal workers who survive by picking garbage? What are the institutions that regulate transactions among the actors operating in the informal market for recyclable waste? In what relational structures are these actors embedded?

As said earlier, the point of view of the participants thus became the central aspect of my research, and to investigate it I decided to interact with the garbage collectors of Porto Alegre.

2.3.1 Sorted Waste Collection in the Metropolitan Region of Porto Alegre

Before 1990, in the metropolitan region of Porto Alegre, refuse was indiscriminately deposited in the so-called *lixoes* (open-air dumps). These open-air dumps, because of their harmful effects on the environment and the human misery constantly apparent on them, were officially proclaimed a “public calamity” by the city administration in the same year as the sorted waste disposal service began. It was, however, in the years prior to the introduction of the service that action was first taken by the *Comunidades Eclesiais de Base*, CEB (a “grassroots” Catholic movement),¹⁹ to assist the people living close to the *lixoes*.²⁰ The first organized group of *catadores* in Porto Alegre was created in 1986: the *Associação de Catadores de Materiais de Porto Alegre e Ilha Grande dos Marinheiros*. Directly administered by the CEB, the group consisted of illegal squatters on one of the islands opposite the city who every day traveled into the center with wagons and handcarts to collect paper, cardboard, and glass (Cavalcanti Lorenzetti 2003).

As stated earlier, the DMLU has been running a sorted garbage collection service since 1990.²¹ The development of this program has also been supported legislatively; in fact, legislation enacted by Rio Grande do Sul states that the collection and disposal of urban waste is the exclusive competence of the municipal authorities.²² Data furnished by the DMLU show that the amount of sorted waste collected every day by both the official and informal services has increased in recent years: in 2003, around 1,600 tons were collected per day, of which 870 tons were of domestic origin (the organic material in this type of refuse amounted to 450 tons, recyclable material to around 300 tons, while the remainder was unusable and was therefore sent to buried waste sites). Sixty tons of the recyclable material were collected by the official service, but around twice that amount by the *catadores* (for a total of 180 tons of recyclable waste collected every day out of a total of 300 tons of potentially recyclable material).

The model for the integrated management of solid urban waste adopted by the DMLU of Porto Alegre is a system that covers the entire life cycle of waste—its collection, treatment, and disposal—with the aim

of obtaining environmental benefits, greater economic efficiency in the management of the service, and the population's greater involvement for its full implementation (DMLU 2000; Backs Martins 2003). The good results achieved by the city program for solid urban waste management have also been recognized by the Economic Commission for Latin America (ECLA), which has cited the program as one of the best examples of public policy implemented in the pursuit of sustainable urban development from a social, environmental, and economic point of view (ECLA 2000).

Despite the good results achieved by the Porto Alegre sorted waste collection program, the number of *catadores* in the city has not decreased; indeed, it has grown in recent years. In 2004, it was estimated that there were around 6,000 *catadores* operating in the urban area of Porto Alegre (four years previously they had been estimated at around 1,500). Moreover, there were 13 garbage collector associations in the city employing around 600 people (Rosado 2004). Factors internal and external to the production, collection, and recycling of urban solid waste furnish, at least partly, an explanation for the increase in the number of garbage collectors. One such factor has been the conclusion of the profound reorganization processes, which, in the late 1990s and early 2000s, had major impacts on the labor market, provoking a sizeable increase in unemployment rates.²³

2.4 Physical and Social Access to the Field

The bases have now been laid for description of the empirical observation that gave rise to this work. During my first days in Porto Alegre, I walked the streets of the city center on numerous occasions, and at different times of the day. The descriptions and impressions concerning the *catadores* set out at the beginning of this chapter derived mainly from my notes taken on those days. One feature salient in my "passive observation" of street life was the almost complete absence of interaction between the *papeleiros* and the other permanent and nomadic denizens of the streets of Porto Alegre. This absence of relations likened the garbage collectors to the so-called invisible workers who pursue their survival strategies in the informal economy (Lautier 2004).

The lack of interaction induced me to approach the reality of the garbage collectors with a certain caution and to adopt an indirect approach. I used as "cultural mediators" (Cardano 2003, 125) persons from public agencies and civil society organizations promoting forms

of microcredit in the local community. Through them I met numerous informal workers: street vendors, owners of small manufacturing workshops, service suppliers, door-to-door sellers, artisans, and also garbage collectors.²⁴ For a certain period, I observed credit agents working for *Portosol*, a community microcredit institute, and officials from the *Caixa Econômica Federal*, CEF (a state-owned bank), as they assisted microentrepreneurs financed by the respective microcredit and microfinance programs of the two organizations. I was thus able to establish contact with eight of the 13 associations of *catadores* operating in the urban area of Porto Alegre. I met a variety of informants, who enabled me to gain an overview (even if partial) of the collection, recycling, and disposal of urban waste in the city.

In recounting my experience as observer—which for a certain period turned into “participant observation”—I shall first describe the figure of the *catador*, who works individually, albeit in different ways. I shall then describe the collective action of the garbage collectors who had joined together to form associations. Finally, also with the support of information collected through interviews with institutional actors and otherwise, I shall seek to show how the perception of *catadores* has changed over the years among actors involved, more or less directly, in the collection and sorting of solid urban waste in the context of Porto Alegre.

2.5 Different Means of Transport, Different Ways of Collecting Garbage

Numerous people push or halt their metal handcarts full of recyclable refuse along the undulating streets of Porto Alegre. On a day when I accompanied Miranda,²⁵ a credit agent for the *Portosol* community project,²⁶ I had my first opportunity to meet and converse with a garbage collector, a woman. Maria was aged about 40, divorced, and mother of three daughters. Her dwelling (which was apparently still being built) was situated in one of the most densely populated *vilas* (the term used for the impoverished suburbs on the outskirts of the state capital). The purpose of the visit was to check on Maria because in the past two months she had not made her repayments on the microloan obtained from *Portosol*:

Life is hard, my dear! It keeps on raining, I'm soaked to the skin all day, and so I've got the flu! I've been in bed for a few days, and you know what that means? It means that I haven't been able to go out with my handcart, I haven't

been able to collect material, I haven't earned anything, so I can't pay the installment! (*Maria, catadora, bairro Rubem Berta, outskirts of Porto Alegre*)

Maria had not always been a *catadora*; in fact, around four years ago, she had been employed with a permanent contract at a large domestic appliances store in the city center. She had begun collecting recyclable waste out of necessity. On realizing that it enabled her to earn enough to provide her three daughters with at least one meal a day, she borrowed a handcart from an *atravessador* (middleman), who bought recyclable refuse from several *catadores* and had a depot to store the materials in the same neighborhood. After two years of this work, she had decided to apply for funding from *Portosol*, mainly to purchase a handcart (at a cost of around R\$300), but also to have enough money in reserve to buy food if her day's earnings were insufficient. Maria primarily collected paper, cardboard, and plastic bottles from grocery shops and private residences (always the same) in the suburb where she lived. Every day this *catadora* made two rounds with her handcart, with stop-offs at her home to deposit the material collected. Toward evening, or the next morning, she sorted the refuse she had collected and took it to the middleman's nearby depot to sell. In three years of activity, Maria had managed to form a small group of regular suppliers, and this enabled her to use her physical and time resources more profitably, as well as to reduce the risk of reaching the end of the day without having collected any recyclable waste.

When conversing with another *carrinheiro*, I discovered that it was rather common for these informal workers to have a network of regular suppliers. Zé Pequeno was about 60 years old and had worked the streets of the city center for more than ten years:

When I'm out with the handcart I only go to people who already know me. They keep for me only the *filé* (fillet)!²⁷ (*Zé Pequeno, carrinheiro, Porto Alegre*)

The handcart used by Zé Pequeno was the property of a middleman, who loaned it to him from day to day on the condition that the *catador* did not sell the materials that he had collected to other *atravessadores*. Over the years, Zé Pequeno had put together a broad and reliable network of regular suppliers, which enabled him to earn up to R\$100 a week. This level of profit was high and rather anomalous among the *papeleiros* of Porto Alegre I came to realize as the days passed.²⁸

As I accompanied Miranda on her rounds, however, we rather rarely encountered *carrinheiros* who wanted to apply for a microloan, or had

already done so. According to Miranda, there were several reasons for this: unpredictable and almost always low earnings, the difficulty of the *catadores* in furnishing guarantees sufficient to secure loans, and noneconomic personal circumstances that increased the uncertainty of the recycling work beyond a level acceptable to potential creditors.

Also the meetings held in the poorest communities by the CEF officials and by Ezequiel, the head of the *Moradia e Cidadania* (Housing and Citizenship) NGO, allowed me to meet a larger number of *carrinheiros* and some *carroceiros*.²⁹ Eustáquio, for example, was a *carroceiro* who lived with his family in a shack on the *Ilha Grande dos Marinheiros*, the largest island in the archipelago off the shore of Porto Alegre. More than two years ago he had been dismissed by the private security firm for which he worked as a night watchman. After fruitless attempts to find another job in the formal economy, he decided to buy a horse on installments and work as a garbage collector, being encouraged to do so by the fact that many other inhabitants of the island did the same work. Every evening, Eustáquio traveled into the central zone of the city, crossing the long viaducts connecting the island to the mainland. His first stop was a refuse collection depot run by the municipality of Porto Alegre, where, after 6 P.M., *carroceiros* and *carrinheiros* were allowed to sort and collect rubbish without clogging the already chaotic city streets. In fact, in an attempt to reduce the traffic problems caused by the *carrinheiros* and *carroceiros*, the city administration had decided to grant them access, albeit limited, to the municipal refuse depots. This solution, however, given the small number of depots, and instead the increasingly large number of *papeleiros*, had not produced the results expected by the municipality.

For the *carroceiros*, the use of a horse brought various advantages: animal locomotion—much more rapid and less fatiguing (for the man) than human locomotion—enabled them to make several rounds a day, and therefore collect more material than the *carrinheiros*. Moreover, by exploiting the speed of the horse, the *carroceiros* could more easily reach their dwellings, which they could therefore use as stores for the recyclable waste they had collected. This meant that the refuse could be sorted at a later moment (usually the next morning) and that, consequently, unsorted rubbish could be collected. Generally more material collected meant higher profits—for despite the variability in the daily earnings of both *carrinheiros* and *carroceiros*, it seems that those of the latter were significantly higher. A *carrinheiro*, in fact, earned around R\$240 a month on an average, while a *carroceiro* could earn as much as R\$600. However, it seems that higher profits were matched by higher costs, mainly due to

maintenance of the horse, and also by greater risks, which derived largely from the conditions in which the *carroceiros* were forced to work.

During the days I spent in Porto Alegre I got to know other *carroceiros*; the majority of them lived on the islands, and every evening they set off for the city center in a long caravan of wagons. Not all of the *carroceiros*, however, respected the restrictions introduced by the city administration to ease traffic congestion. Some of them drove their wagons into the city center at other times of the day, mainly to collect recyclable waste from their regular suppliers. The latter often established specific days and times for pick-ups, and frequently did not sort the rubbish, leaving this task to the *carroceiros*. Generally, however, the opportunity to collect a large amount of material did not induce careful sorting by the *carroceiros* either. The recyclable material was therefore less valuable. And the part of it most difficult to sort was thrown into open dumps, which should instead have been used only for organic waste and nonrecyclable materials. Aside from the greater or lesser efficiency of this work, the willingness of the *catadores* to both accept unsorted waste and adjust their pick-up routes according to the needs of the suppliers highlights the flexibility of the service they provided. This flexibility contrasted with the rigidity of the waste disposal service provided by the Municipal Waste Management Department; in this case, it was the end user that had to comply with the requirements—dictated mainly by the criteria of efficiency and economic sustainability—of the service provider.

If the *carroceiros* and *carrinheiros* were distinguished by their “modes of action,” certain situations of human desperation seemed to be shared by the entire category of garbage collectors. The workers whom I met lived in shacks made of wood and sheets of scrap metal, in suburbs characterized by perilous sanitary conditions, widespread poverty, and the almost total absence of public services. Many had not completed elementary school, and some were illiterate. Their life stories were seemingly endless sequences of precarious and unskilled jobs, taken to support often very large families. I not infrequently listened to stories of alcohol and drug addiction, of psychological as well as social degradation. In this human panorama, in many respects distressing, the collection, sorting, and sale of recyclable waste sometimes seemingly assumed a value that extended beyond its strictly economic one.

Chico, for instance, was a young 26-year-old *carrinheiro* with a recent past of drug abuse, begging, and months spent between hostels for the homeless and sleeping rough. For about three years, Chico had been attending a social reintegration program run by the city administration,

and for more than a year he had been collecting and selling recyclable waste. This young *catador* worked every day from 6.30 A.M. until 9 P.M., wheeling his handcart around a large residential district not far from his home, which he occupied with his wife and one-year-old child. He collected the bulk of the waste from a group of around 20 people, all of them residents of the district. Hence, his regular suppliers were not shop owners or offices, but ordinary citizens who had decided to donate their recyclable waste to Chico rather than consign it to the municipal waste disposal service. In some cases, the relationship of mutual trust between Chico and some of these citizens was manifest in episodes of interaction and “close proximity” (also physical), as emerges from his story:

To tell the truth, the *catadores* often don't look very nice! Some are dirty, others have their clothes all torn, some go around stoned. So I understand the people who steer clear of us, who are afraid to get close to us. But it's been different for me. I see this work as a second chance that God has given me. So I want to work with dignity: I dress decently, I wash, and I try to be polite to people, even if it isn't always easy! Some shun me anyway, but others have begun to talk to me, and some even let me into their homes to pick up the material! (*Chico, carrinheiro, Vila Pinto, Porto Alegre*)

Chico sold the material he collected to a middleman with a depot in the same suburb. But he considered the economic power exercised by the *atravessadores* to be excessive. The *atravessadores* generally had considerable financial resources, which enabled them to lend money to *catadores* in difficulties. This therefore strengthened a bond that, in certain cases, could change into a trap that the *catadores* found difficult to escape. Moreover, the financial resources of the middlemen and their ownership of large spaces, for storage of the waste collected by the *catadores*, enabled them to resell large quantities of material, often waiting for peaks in demand when they could obtain better prices. Considering the structure of the market, the main economic benefits of recycling not surprisingly accrued to the regular and informal buyers and middlemen, while the garbage collectors were at a distinct disadvantage in transactions.

Almost always, the survival of the *catador* and his family depended on the earnings obtained from the daily sale of recyclable waste. Consequently, it was very difficult for a *catador* to accumulate material for a number of days and thereby strengthen his bargaining power with the middleman. Chico was stockpiling newspapers, while every day he sold the other recyclable materials that he collected. However, the sacrifices

that this work entailed could not be sustained for long—not least because the *papeleiro* had been unable to find others willing to join him in collecting and storing together that specific kind of paper in order to sell a greater amount of it at one time, at a higher price. This and other actions by Chico seem to be evidences of his “entrepreneurial spirit.” For instance, he had also decided to construct handcarts to rent, using materials scavenged on the dumps.

Chico, like other garbage collectors I had met previously, seemingly placed great importance on preserving the freedom of action enjoyed by a garbage collector who works on his own. The deprivation and limited range of options, which significantly restricted the action of the *carrinheiros*, appeared not to reduce the value of freedom for them. Their staunch defense of their independence gave rise to individualistic and competitive behavior, which very often perpetuated the situations due to the exploitation of their labor. This was also stressed by Father Gustavo, one of the first (around 20 years ago) to take an interest in the living and working conditions of the Porto Alegre garbage collectors. He set about devising new forms of support, different from the essentially “paternalistic” welfare policies promoted by the local and national authorities. According to Father Gustavo, the overriding value of freedom in the garbage collectors’ culture did indeed help them to survive, but it also impeded improvement in their living and working conditions and frustrated attempts to organize them in accordance with the values of cooperation and solidarity. Despite difficulties, in recent years, and, above all, through the efforts of the CEB—of which Father Gustavo had been a founder in Porto Alegre—forms of “associationism” had become increasingly viable alternatives to individual work. They introduced factors that helped change the perception and the social representation of the *catadores* and the relationship between them and the public actor delivering the “official” public service. It was in order to analyze this different way of conceiving and organizing recyclable waste disposal that I changed my role from a simple external observer to that of a “participant observer.”

2.6 Associations of Garbage Collectors

As already mentioned, in 2004 there were 13 garbage collector associations in Porto Alegre, and they employed around 600 people. In general, the foundation and development of these associations had been supported

by civil society organizations and also by the city administration, with which unofficial agreements had been reached. During my empirical research, I was hosted for more than six weeks by the *Novo Cidadão* (New Citizen) Association.

I decided to conduct participant observation with the *Novo Cidadão* Association after I had repeatedly met informants variously involved in the activities undertaken by the waste recycling associations of Porto Alegre. Several factors influenced my decision.

The aim of the *Novo Cidadão* Association—founded on the initiative of a courageous young *catador*, Emiliano—was to give employment to homeless persons. At the time of my arrival in Porto Alegre, *Novo Cidadão* had been in operation for only ten months.³⁰ The association's recent creation made it of particular interest to me because I presumed that it would give me a chance to observe actions undertaken to regulate the organization of work. Unlike other associations already operating in the city for several years, the *Novo Cidadão* had not yet formalized a code of behavior for its associates, nor regulations on membership. Another important factor in my choice of the association was its geographical location. The other associations visited during my field research worked in large sheds situated in peripheral zones, which were usually rather difficult to reach. The *Novo Cidadão* Association instead had somewhat cramped premises constructed beneath one of the large motorway flyovers that traversed the city center. This position enabled closer "physical proximity" between the *catadores* of the association and the other inhabitants of the city, who crowded the downtown streets at different times of the day. External to the shed, in which the association's members worked, there was a large container in which the municipal garbage trucks deposited loads of recyclable waste. During one of my first visits to the *Novo Cidadão* Association I noticed that *carroceiros* and *carrinheiros* frequently halted at this container. Hence, an opportunity to observe the association at first hand would increase my likelihood of meeting and interacting with informal recyclable waste collectors.

These were some of the factors that, considering the objectives of my fieldwork, made the *Novo Cidadão* Association a setting better suited to "participant observation" than others. My decision to live for a while among the members of this specific association, however, was made viable by the support and the trust granted me by Emiliano, the promoter and, in many respects, the leader of the *Novo Cidadão* Association.³¹

2.7 The Novo Cidadão Association

I first met Emiliano while I was accompanying an official from the CEF and a volunteer from the *Moradia e Cidadania* NGO. Emiliano was 36 years old, dark skinned, with an athletic physique and great energy. He had been born in a small town situated in the capital's rural hinterland. In the first half of the 1990s he had moved to Porto Alegre in search of a job, together with his mother, and a sister. His poor education and lack of contacts in the city made his search for work particularly difficult. After some months of jobs lasting for less than a week, Emiliano managed to find employment (but not a contract) as a porter at a building in the city center. Although this job was more stable than the previous ones, it only lasted for six months. The severe financial crisis that hit Brazil in 1998–1999 drove up unemployment in many of the country's large cities, including Porto Alegre. For Emiliano and his relatives the recession meant a rapid slide into permanent unemployment and severe poverty, which Emiliano summed up as follows:

I spent a lot of time *na pedra* (on the sidewalk, in the slang used by the homeless), begging by day and sleeping rough at night. (*Emiliano, papeleiro, Associação Novo Cidadão, Porto Alegre*)

During my conversations with Emiliano, his account of that time was always rather fragmented and perfunctory. After some months spent begging, Emiliano began to attend a social welfare program run by the Porto Alegre municipality. His participation in this support scheme meant, first, that he left the sidewalk for a reception center for the homeless. On this topic, too, Emiliano's lack of communication suggested that entering the reception center had not been easy for him. Despite the difficulties,³² however, Emiliano's desire to regain his dignity had induced him, once again, to look for work. He obtained a handcart and began to collect recyclable waste along the streets of the city center. He briefly participated in the activities of a *catadores* association, but left it following conflicts with the work supervisor. He returned to working on his own account and began to cultivate the idea of creating an association for the homeless. To accomplish this project, Emiliano overcame physical and social barriers that initially seemed insurmountable:

You don't know how many times I passed in front of that great cement and glass building where the *Caixa* and the *Moradia e Cidadania* have their offices.

I looked at those stressed people as they came and went through that damned revolving door, the armed guards, the video cameras. . . . And then I went away. I was dirty, with ragged clothes, and a handcart full of paper and cardboard: I felt bad. . . . I wasn't ready. I watched the revolving door and I felt fear and anger: I felt excluded. (*Emiliano, papeleiro, Associação Novo Cidadão, Porto Alegre*)

Emiliano eventually mustered the courage to pass through that revolving door. The *Moradia e Cidadania* NGO then gave Emiliano crucial support in both finding premises for his recyclable materials sorting business and persuading the DMLU to allocate part of the materials collected by the official service to his group of *catadores*.

The *Novo Cidadão* Association had been in operation for around ten months. It consisted of 12 people, of whom seven were women. During our first conversations, Emiliano often expressed a certain satisfaction about what he had been able to achieve. But his satisfaction never turned into smugness. He believed that waste recycling could bring greater well-being to the entire city community, and that it was an important opportunity to improve his own circumstances and those of his companions (who, like him, still suffered extreme poverty).

The *Novo Cidadão* depot was located in the heart of Porto Alegre. As stated, it had been set up in space beneath a large motorway flyover, and its perimeter wall consisted of a series of triangular cement pillars set very close to each other. Their particular shape and arrangement meant that it was practically impossible to see into the depot from outside without coming close to the narrow spaces among the vertical supports. Opposite the depot, across a three-lane roadway, stood a terminal for various bus routes, most of them to the city's hinterland. Just beyond the depot lay a fenced-in area where the DMLU garbage collectors stored their equipment. Installed in front of the association's depot was a skip large enough to contain several loads of the waste collected by the rubbish trucks.

My first day of work at the association began outside the depot as I negotiated with Emiliano the wage that I would receive as a recycler. Each member of the association was paid every 10 to 15 days (according to when the association sold the material collected to the middlemen), and the amounts varied according to the days of work effectively put in. To facilitate acceptance of my project by the other members, and to give me greater freedom of movement within the group, Emiliano suggested that my daily pay should be half that of my workmates.³³

Emiliano then entered the depot, while I waited outside, and began to explain to his workmates the reason for my presence and his idea of

temporarily hosting me at the association. He repeatedly told them that my pay would be half the usual rate. After some minutes, Emiliano signaled me to enter. From inside, the deposit seemed even smaller. The space narrowing toward the beginning of the flyover was entirely occupied by heaps of cardboard and stacks of old newspapers. In front of the gate there was a long table with empty plastic sacks hanging from its sides. The area to my left was occupied by a dirty and torn couch, and by a decrepit gas stove with crockery and glasses; toward the end of the room, I saw another couch, this one heaped with clothing. It was quite cool (no more than 10 degrees Celsius) and early in the morning (just after 8 A.M.). My future workmates seemed rather bashful, but silently intrigued by my presence. A rapid raising of hands approved my request to observe the *catadores* by working alongside them, after which the group quietly dispersed. Some went to the work table, and others to the gas stove, where coffee was brewing. I met the following people: *dona* Teresa, Emiliano's mother, whom I judged to be between 50 and 60 years old; Rafael, Emiliano's brother-in-law and "treasurer" of the association; Ana, Rafael's wife, sister to Emiliano, and mother of Rubens, a three-year-old boy with blue eyes and blond hair; and *senhor* Ari, who introduced himself as the oldest member of the group. Only the men talked to me at first, while the women worked silently at the table. I was simply dressed, but my attempt to merge with the group was hopeless: their eyes, in fact, had something unique that was impossible to dissemble.

Emiliano handed me a pair of yellow rubber gloves and told me to flank him in the sorting work, which had already been begun at the table by some of the group's members. There were eight of us, four on each side. At first sight the sorting work did not seem particularly difficult: each person at the table took a sack of rubbish from a large heap on one side of the depot, opened it, sorted its contents according to type, and then put the material in the plastic bags hanging from the table. On opening a sack of rubbish, however, I immediately realized how unprepared I was for this apparently simple task. It was difficult to sort the materials rapidly and accurately because they were so disparate. There were numerous qualities of plastic to be distinguished. The paper had to be sorted into white, colored, and dirty. But there was also food wrapping paper, and various plastic pieces of other kinds. I did not know how to distinguish dirty paper from colored dirty paper, and it seemed impossible to recognize what some pieces were made of if their type was not stated on that particular piece. With few exceptions (white paper, for instance, which anyway I rarely came across), I almost always had doubts about

what exactly to do with the materials that I found among the rubbish. These difficulties were compounded by my limited vocabulary. After the first exchanges of remarks with my new workmates, I understood that the terms “refuse” or “rubbish,” which generically denoted all the waste being handled, was almost never used, except in a negative sense. Emiliano, for example, never employed the word *lixo* (rubbish), but preferred the expression *resíduos sólidos* (solid materials). I also discovered that the word “plastic” was too generic, and therefore meant nothing to my companions, while they all understood me when I used abbreviations—such as PET—referring to specific characteristics of the material. As in the case of the Inuit people, for whom the term “snow” was useless because of its excessive generality (Marradi 1980), so it seemed that the garbage collectors replaced words generically denoting significant elements in their everyday lives with terms for various aspects, types, and uses of those elements.

Everyone worked in silence, women and men equally spaced around the table. Behind us Rafael stacked the newspapers, while Ari, near the depot entrance, stamped on PET bottles to crush them and then stuffed them into an enormous jute sack. I learned by observing the most experienced workers. At the work table, Emiliano and his mother set the pace and showed how the materials should be sorted efficiently. Their speed made it impossible for me to identify the correct bag for each material, so that I often had to break the silence that almost constantly accompanied the work with requests for help and advice.

I thus spent my first days as a *catador* trying to learn from the others, opening sacks, putting the rubbish into a bin, and listening to my workmates’ comments and conjectures concerning the origin of certain types of waste and their users. In particular, I usually passed my first afternoons outside the depot, together with Emiliano, Ari, and some other male workmates, crushing PET bottles and collecting the hard plastic caps. They told me that all the members of the association had in the past tried to live on the streets. They now attended a social inclusion program run by the municipality. Some lived at a homeless shelter situated about 40 minutes by bus from the depot, in the outlying *Bom Jesus* suburb (this arrangement was the first stage of their reintegration program). Others had lodgings in a bleak guest house not far from the depot (this was the second stage of the program, when complete assistance was no longer given: the city administration paid the rent, but the beneficiaries of the program had to provide for their upkeep).

As the days passed, I did not notice any formal rules regulating the organization of work, and entry to the association seemed open to any garbage collector who wanted to join. Rafael—the “treasurer”—jotted down in a notebook the days worked by each of the association’s members. When the recycled material was sold—generally every 10 to 15 days—the proceeds were divided among the association’s members according to the number of days each had worked. The association’s small number of rules and my observation of the everyday behavior of the recyclers allowed me to perceive how the individual needs of the members were respected and considered within the group. In this regard, Emiliano repeatedly told me that the distinctive feature of *Novo Cidadão* was that its growth necessarily depended on voluntary actions by its members:

All of us have slept *na pedra*. You won’t believe me, but sleeping *na pedra* means being free. A homeless person has nothing, he only has himself; nobody tells him what to do, and he doesn’t owe anything to anybody. The world out there, with all its rules, has discarded us, and we don’t want to go back to being ordered around by those who threw us away. If I or somebody else began to make rigid rules, began saying “you must do this, you must do that, you must work until five, you until six,” the association would disappear within a week. They’d all go back to living on the streets, scrounging cardboard here and there, playing football, drinking *cachaça* (liquor made from fermented sugarcane) with the other *carrinheiros* down at the river, begging, finding somewhere to sleep, and something to eat at the hospices for the poor. Homeless people easily let themselves go, they like being called *coitadinho*,³⁴ hoping there’ll always be someone who’ll give them some small change, a piece of bread, something to drink, or some rags to wear. (Emiliano, *papeleiro*, *Associação Novo Cidadão, Porto Alegre*)

Although there were no fixed working hours at *Novo Cidadão*, almost all its members were present in the depot from Monday to Friday, for about eight hours a day, punctuated by breaks that each worker seemed to decide individually. Moreover, when the urban cleansing department delivered larger amounts of recyclable material, Saturday and Sunday also became working days. In the previous two weeks, those who had worked for five days had earned between R\$80 and R\$100, a paltry sum compared with the average earnings of *carroceiros* and *carrinheiros*, although it did not seem to worry my workmates unduly.³⁵ Ari, for example, considered his job with the association as only a stage in his economic and social ascent. His aim, in fact, was to return to his occupation before his descent into poverty: a repairer of car upholstery. He told me that he had spent a long

apprenticeship at a car repair garage, but without ever managing to obtain a permanent contract. He was instead dismissed by the garage owner, and for this reason had begun a lawsuit, which had not concluded yet.

During my first days at the *Novo Cidadão* Association, I usually stopped working at around 5 P.M. It was winter, the sun set early, and at dusk, the air grew chilly. The streetlights were switched on, and the sidewalks became even more crowded as people hurried to the bus stops. Every night, gathered around the skip installed outside the depot were some *carroceiros* with their empty wagons, *carrinheiros* with tired faces, and people who seemed to have found no shelter apart from that space beneath the flyover. Some of them watched the weak light illuminating the work table and inhaled the aroma of the coffee brewing on the stove, but none of them dared come any closer. “Physical proximity” and the poverty shared by the people outside and inside the depot were seemingly not enough to break down the strong barriers that separated one *cata-dor* from another. Every night, trying to set some sort of order on my thoughts and impressions from the days, I walked along the street to the flat where I lodged, in a popular district close to the city center. As the days passed, that street assumed the significance of an abrupt transition from one dimension of life to another.

2.7.1 *Everyday Life at the Novo Cidadão Association*

In the days of the following weeks, work at the depot proceeded as usual. I observed that each of my workmates always occupied the same work station, except when the arrival of a rubbish truck obliged them all to go out of the depot to unload it. Emiliano was absent for a few days, having been invited to a national meeting of the *Programa Fome Zero* (Zero Hunger Program),³⁶ from which he had benefited and had subsequently promoted in the poor communities of Porto Alegre. His absence, contrary to what I had expected, did not negatively affect work at the depot. Instead, the latter appeared to increase in intensity, also because the amount of rubbish delivered every two days by the municipal waste disposal had increased in volume. Emiliano no longer spent much time with his companions. He was instead efficaciously promoting the association with the public administration, government bodies, and civil society organizations. His popularity had given greater visibility to the association’s work.

In practice, this visibility translated into larger quantities of material to sort and more frequent visits from social workers, employees at the municipal sorted waste service, and representatives of NGOs. Not all of

my workmates, however, seemed to appreciate this unexpected attention. Some of them, in fact, never interacted with the “outsiders” who visited the deposit and, if asked questions, would reply only in monosyllables. Moreover, the most reserved of them never went out with their handcarts to collect recyclable refuse because they found it humiliating. As Justiniano, a 35-year-old recycler, told me:

I don't like going around the streets with the handcart. I wouldn't go there with a horse either, because I find it very humiliating. The passersby shun you and, if they glance at you, it's with a look full of pity. It's much better to work sheltered against the judgment of people, closed inside our depot. (*Justiniano, papeleiro, Associação Novo Cidadão, Porto Alegre*)

Rafael, Emiliano, and Ari were therefore the only workers who (around two times a week) pushed their handcarts into the city center to collect paper and cardboard from the shopkeepers who were the association's usual suppliers. At times, however, when these garbage collectors went out with their handcarts, they returned to the streets that they had frequented when they worked on their own. On listening to their stories, I discovered new and interesting details about the life of the *carrinheiros*, about their habits and social practices. I also learned, in an unusual and rather amusing way, the meaning for the *catadores* of the term *macaquinho* (literally, little monkey). One afternoon, Ari and Emiliano invited me to go with them to “get us a *macaquinho*,” they said. Both were amused by my embarrassed question as to why we would want to hunt a monkey. They explained that for a garbage collector the word *macaquinho* referred not to an animal, but to how a *catador* obtained food:

Each of us always works the same streets to collect recyclable stuff. So the people living in those streets get to know our faces and sometimes stop and talk to us. A lot of them fill a plastic bag with food and hang it on a branch of a tree at a distance from the other rubbish bags. That's the *macaquinho*! For us it's a signal. When we see a *macaquinho* hanging from a tree, it means that we're going to eat! (*Ari, papeleiro, Associação Novo Cidadão, Porto Alegre*)

This trick enabled the donor to be anonymous and avoid excessive physical proximity to the needy person. A direct donation, in fact, would have required the giver to reveal his or her identity, and where he or she lived, with the risk of creating intimacy with persons considered potentially dangerous.

More than 15 days later, the initial group had almost remained unchanged. Especially in the afternoon, it was not rare for very poor people to appear at the entrance to the depot and ask to work with us. However, during the weeks when I frequented the depot, none of them remained with the association for more than three days. After their second day of absence, Emiliano would inquire why the person had not turned up for work. Almost always, the workers who lived at the homeless shelter laconically cited drug or alcohol problems (from which many of the new arrivals seemed to suffer) or said that the person had decided to go back to working on his or her own. At that time only two of the initial members had left the group: Daniel, after a violent nighttime quarrel with Rafael,³⁷ and Cristiano, who had apparently found a job as a laborer at the city market. They were replaced by two women, aged between 40 and 50, both residents of the same reception center for the poor where the majority of my workmates lived.

Membership of the association seemed to reduce the main attraction of the garbage collectors' work: independence. Yet, belonging to an association gave access to benefits that ensured a minimum of "well-being." My workmates seemed to appreciate the tangible and intangible benefits of belonging to a group—for it reduced the uncertainty and risks of the recycler's work:

Working in the association makes me feel more secure; I know there's a group of people who I can ask for help if I'm in difficulties. (*dona Paulina, catadora, Associação Novo Cidadão, Porto Alegre*)

If I get sick, I know that I'll receive a part of the weekly profit, even if it's small. (*Justiniano, catador, Associação Novo Cidadão, Porto Alegre*)

The construction of networks of more stable relationships, though indubitably favored by these forms of reciprocal help, seems to have been partly hampered by a general lack of trust in others. This emerged clearly as I listened to the life histories and reconstructed the complex occupational trajectories of the garbage collectors belonging to the association. As the hours and days passed, I discovered that almost all of them had previously worked in the formal economy, from which they had been expelled for various reasons and then found it impossible to reenter. There was never a single cause for this failed reentry and the previous expulsion. Indeed, many elements had combined to produce often-traumatic changes in the lives of my workmates, and had bred distrust in themselves and toward others. The recyclers recounted difficult periods during their

lives in which it was almost impossible to discern what was the cause and what the effect, or sufferings whose mere memory cracked their voices and brought tears to their eyes.

However, the suspicion shown by some members of the association toward the others never turned into open conflict. More often it created problems in the allocation of work and a climate of tension, which sometimes only subsided with a sort of “temporary suspension” of one or more members of the group. About a fortnight after my arrival, it was decided to hold weekly meetings in order to obviate these difficulties. However, the majority of my work companions played a mere passive role at these meetings, rarely expressing their opinions. In this regard, my observations revealed the presence of two distinct subgroups within the *Novo Cidadão* Association. The first subgroup consisted of Emiliano, Rafael, Ana, *dona* Teresa, and Ari. This group (with the exception of Ari) was bound by close kinship relations and shared a proactive attitude toward the work and the association’s future. Emiliano was an important link with the world outside the association, although his reluctance to compromise and tendency to monopolize the most important responsibilities bred conflicts within the group—divergences that, however, almost always remained latent. The other subgroup comprised members who showed considerable confusion about their poverty, of which they seemed almost ashamed.³⁸ They assumed a passive stance in collective decision making: this behavior seemingly influenced by a lack of confidence in their own abilities. For instance, during one weekly meeting, when Claudinha, the nearly 20-year-old daughter of Paulina, was asked how much she would like to earn a week, she hesitantly answered: “I don’t know how much I’d like to earn; I reckon what we’re earning now is about right, no?” *Dona* Teresa, with her human qualities, charisma, and skills, acted as an important linkage between the two subgroups. Her mediation, in fact, helped attenuate the conflicts that almost daily arose within the association.

My participant observation continued as the days passed, and it gradually yielded understanding of the social practices on which the everyday lives of the *catadores* were structured, and improved my ability to approximate their point of view. In this way, the rubbish left on the sidewalks, the cardboard boxes abandoned in the back streets, the rare waste bins in the city center, and other details previously invisible to me, increasingly attracted my attention during the hours spent outside the depot—when, for instance, I accompanied some garbage collectors to sell sorted materials to a middleman.

2.8 Between the Formal and the Informal Economy: The *Atravessadores* (the middlemen)

My time spent with the *Novo Cidadão* Association enabled me to meet various actors whose interaction with the *catadores* influenced their schemes of action. Among them, the *atravessador* (middleman) seemingly plays a decisive role in the recycling chain—a role with controversial aspects and indistinct boundaries, so that it is often difficult to assess with precision. These small-scale entrepreneurs—most of whom operate in the informal economy—buy recyclable materials from the garbage collectors, as both organized groups and own-account workers. They use simple devices to weigh the materials and reduce them in volume (by compression into large cubes). Once they have obtained a certain amount of sorted materials, they resell them to larger-scale middlemen, or directly to firms, which process them for reuse in production. In this production chain, the *atravessador* performs the important role of connecting the informal and the formal or regular part of the economy. He acts as a permeable membrane, so to speak, between the two parties. As the recyclable material passes through this membrane, it acquires greater economic value, becoming a source of not only subsistence for the membrane (the middleman), but often sizeable profits as well.

The *Novo Cidadão* Association sold its recyclable materials to two middlemen. One, Cristiano, nicknamed *o alemão* (the German),³⁹ owned a depot a few hundred meters from the association depot. The other, Amarílio, had a depot in the south of the city, some kilometers from the center. Generally, the association sold lighter materials (various types of plastic, and colored, dirty, and white paper) to Cristiano, while it assigned the heavier items (bales of old newspapers and cardboard) to Amarílio, because he could come with a truck to collect the load.

I accompanied members of the association to the depot of the first middleman on two occasions. During my second week at *Novo Cidadão*, I assisted Justiniano, Rafael, and his wife, Ana, when they prepared to sell the various qualities of plastic, which had been compressed and packed in large jute sacks during the previous week. In a few minutes they had filled two handcarts (one of them owned by the middleman) and set off down the road. Rafael and Justiniano pushed the handcarts, while Ana and I followed slightly behind as they wove their way through the traffic.

We were headed toward a notorious district situated close to the harbor. Garages turned into dirty bars alternated with stores selling goods of

all kinds, and small shops overflowing with secondhand clothing, whose external walls the owners ingeniously used to display their wares. There was great confusion, not least because the sidewalks were almost entirely occupied by street vendors displaying trinkets and junk on the ground or on small folding tables. The streets of the center—lined with low-price shops, but also elegant shopping centers and exclusive boutiques—adjoined the area that we had entered. Yet, the sensation of having crossed a threshold was striking: just as the population of the city center was heterogeneous, so the inhabitants of this popular district were uniform. It was mid-afternoon. I walked along once-handsome streets (moving among things and people) whose decay and thick layer of dust were only partly disguised by the weak light emitted by street lamps. The drinkers in the bars watched passersby closely, and their gaze fell on me in particular: I was with a group of garbage collectors, dressed like they were, but their experienced eyes nevertheless seemed to spot me as an intruder.

Cristiano's depot was a large T-shaped shed. At the end of a long central corridor stood an old desk and a blackboard on which were chalked the names of the different materials and their prices per kilogram.⁴⁰ To the left of the desk were two large iron cages containing recyclable material, two mechanical presses, and two pairs of scales. I also noted some handcarts. The extremities of the two wings gave access to other parts of the building, divided into two floors, whose humble rooms were seemingly inhabited by a number of people. There were eight people in the depot: two men busy repairing the wheel of a handcart, a *carrinheiro* sorting his load, four rather young boys working the presses and producing large cubes of material bound with thick twine, and a woman sitting at the desk and supervising the weighing and payment operations. "The German" arrived at the depot in a large truck only when the weighing of our material had been completed. He seemed harassed and reluctant to talk about his business. Despite his reticence, however, I was able to glean details about the middleman's activity from small conversations with him and the various people present in the shed. According to the middleman, the prices of the materials written on the blackboard were fixed by the firms that purchased recyclable waste from him (deferring payment by issuing checks postdated for 30 and 60 days) and transformed it for use in the productive process.

In general, the *atravessador* pays cash for the material bought from the garbage collectors. Before selling it on, however, he waits until he has accumulated sufficient material to gain a better position in the market,

and thus has greater bargaining power when negotiating prices. For this strategy to work, the middleman has to have substantial financial resources, as well as a large covered space in which to accumulate the material and install equipment such as presses and scales, necessary for efficient stockpiling.⁴¹ To acquire a large quantity of solid urban waste and to reduce the costs of controlling its quality, Cristiano, like many other middlemen, may count on the labor of a significant number of *carrinheiros*, to whom he loans handcarts on the condition that the material they collect is not sold to other *atravessadores*.

This relationship of economic dependence is usually strengthened further by other factors: the *atravessador* almost always grants credit to *catadores* in difficulties, and he provides a place where they can sort their loads, mend their handcarts, and in many cases, get some sleep. For the many garbage collectors driven into the city from the countryside by poverty and the need to find work, the middleman is an employer on whom they may depend economically, and in other ways besides:

An *atravessador* like me makes a concrete contribution to the survival of the garbage collectors. I buy their material, even when it's not of good quality; and I pay them cash in hand. I lend them my handcarts for free; I give money to those in difficulties, and rent rooms at very reasonable prices to those looking for a roof over their heads. I ensure that the recyclers have the minimum necessary to live and carry out their work, things that neither the municipality administration, nor the NGOs can assure them with continuity. (*Cristiano, atravessador, Porto Alegre*)

My workmates, and other *catadores* whom I met during my fieldwork, complained that the middlemen had excessive bargaining power. Yet, the *atravessador* was often the only actor willing to intervene, in a timely and an effective manner, to remedy the personal and economic difficulties that often arose in the daily lives of the garbage collectors. Apparently, the recyclers' marked social exclusion greatly increases their dependence on the middleman; yet, almost always, the relationship between them seems to be more than a mere economic arrangement.

My research on the recycling of solid urban waste was not restricted to observation and analysis of the *Novo Cidadão* Association. After a number of weeks at the association's depot, I extended my research to other garbage collectors' groups in Porto Alegre, observing subjects who performed a variety of roles in the system of collecting, sorting, recycling, and disposing solid urban waste.⁴²

2.9 The Centro de Educação Ambiental (CEA) and the Profetas da Ecologia Associations

The *Centro de Educação Ambiental*, CEA (Environment Education Center), is located in Vila Pinto, one of the large settlements that arose following the illegal occupation of land surrounding the center of Porto Alegre. In 2004, it was estimated that approximately 38,000 people lived in the area. To reach the association's depot, I had to travel along one of the large motorways leading out of the city and then penetrate the labyrinth of dusty and disconnected streets of the *vila*. The taxi stopped in front of a gate, behind which stood two large sheds. Having become used to the humble and almost "invisible" depot of the *Novo Cidadão*, I was surprised to see such an imposing and modern structure. The association's coordinator, *dona* Eulina, met me at the entrance and, after a short tour of the entire complex, I had an opportunity to talk to both her and other members of the association.

The first shed was devoted to the sorting, compression into cubes, and storage of recyclable materials. At one of the two long sides of the building, a series of cages extended up to the ceiling, all of them almost full with rubbish bags shoved through an opening in the upper part of the shed wall. At the base of each cage stood a work table surrounded by blue plastic bins, which the workers filled with the sorted materials. All the workers engaged in the sorting operations were women. The few men present in the depot worked the two presses, operated the freight elevator, and drove a small truck bearing the association's logo. The workers wore overalls and plastic gloves. The second shed was "the great pride of the association and the entire community of Vila Pinto," as *dona* Eulina put it. This shed housed a cultural center that offered courses in Portuguese (the illiteracy rate in the community was high, but even higher was the number of inhabitants who had not completed elementary school), computer skills, music, theater, and crafts. The center had been created around one year before, thanks to the support of private business groups and the local public authority, as well as the great efforts of the association's founder and her associates.

The CEA had been set up to combat a problem due the precarious living conditions of many of the community's inhabitants. There were numerous drug traffickers in Vila Pinto, and they controlled the entire community through intimidation and the use of force. The traffickers used the women—who generally spent most of the day at home—as unwilling "minders" of their drugs and weapons. *Dona* Eulina had

decided to try and break down this perverse relationship between the local community and organized crime by founding a women-only recycling association. This would give the local women a good reason for not staying at home all day. And it would also give them an economic alternative, albeit quantitatively inferior, to collaborating with the drug traffickers. In this case, the recycling of solid urban waste became an effective device for the social emancipation of one of the weakest groups (women) among the most impoverished inhabitants of the city's degraded outskirts.

Despite initial difficulties, the organization created by Eulina had grown with time to become an outstanding example of success in fighting social exclusion. The association was strongly female in character—in 2004 it had over 15 male members (out of a total of 136). At the time of my visit, the decision to admit men had been taken only recently. Much discussion among the associates had led to approval of strict rules concerning the organization of work, and a code of behavior with which the members were bound to comply. A committee of female workers adjudicated breaches of the rules: the severest sanction was expulsion from the group.

The associates I interviewed described a well-defined organization of work, which was divided into two eight-hour shifts, with group work in each phase of the recycling process. Each week, a meeting of workers discussed problems arising in the performance of their tasks and sought to improve work processes, and thereby increase productivity. Besides these general meetings, a committee met every week to take decisions on coordination and on the sanctions to apply to workers who had breached the rules. The income earned from sale of the recyclable material to the middleman was divided among the associates in equal proportions (in the previous three months, the average monthly wage had been around R\$250), although a larger percentage of profit was allocated to members who acted as coordinators in addition to doing their work. Most of the rubbish processed by the CEA was furnished by the public waste disposal service operating in the *vila*. The sorted materials were sold every three weeks to the middleman. Also *carroceiros* and *carrinheiros* could sell material to the association, provided that they agreed to join the association (in total, only eight independent garbage collectors belonged to the association).

The great visibility achieved by the CEA and the ability of *dona* Eulina to promote the association externally to the recycling chain had attracted the increasing interest of civil society. For more than three years a committee of 13 external entrepreneurs had assisted the association by providing

monitoring and consulting services, and advising on what productive and commercial strategies to adopt. This committee also acted as an important guarantee to attract funding and donations from public and private actors, which sponsored educational, training, and cultural projects covering all the inhabitants of the community. With great pride, *dona Eulina* told me that, thanks to the support of a state-owned bank, the CEA had recently signed an agreement with a private medical center in Porto Alegre, on the basis of which free medical care was provided twice a month to all CEA members and their families.

It therefore seemed that this association was seeking to strike a difficult balance between an economic vision of collecting and sorting solid urban waste and the use of such activity to promote and develop projects for the improvement of the social conditions of its members, and when it was possible, of the entire community of Vila Pinto. Those who had joined the association had been obliged to forgo the independence that derived from self-employment, but in exchange they could obtain some benefits:

None of the members have a *carteira assinada*, but there are informal benefits deriving from membership of the association. Put simply, those who join it exchange part of their economic profit—though this is not always certain—for greater dignity and security. A *carroceiro*, for instance, who decides to join the association, will probably earn less from the strictly economic point of view, but he'll have more guarantees, which compensate for his relative financial loss. If his horse goes lame, or if he gets sick, we can help with the medical expenses, or let him work inside the depot, so that he can continue to receive his share of the profits. (*dona Eulina, coordinator of the Centro de Educação Ambiental, Vila Pinto*)

Although the economic and social strategy pursued by *dona Eulina* had produced considerable results, it had also provoked criticisms—both from other *catadores* associations, which protested that the rules applying to the garbage collectors at the CEA were excessively strict, and from NGOs running projects to organize the recyclers into “a new mode of production,” alternative to development founded on the principles of capitalism.

The significantly different arrangements covered by the garbage collector associations of Porto Alegre also emerged from my repeated visits to the *Profetas da Ecologia* Association (Ecology Prophets Association), which was set up in 1996 on the initiative of Father Gustavo. Eight years ago, this association had erected a shed close to a large motorway interchange, from which radiated out the main roads connecting the city center to

the islands.⁴³ The initial aim of Father Gustavo had been to provide a space for the *carroceiros* who used the roads to reach their homes situated on the islands. However, the project had not been successful, and the depot had been inactive from 1997 to 2001, the year in which Father Gustavo, together with *dona* Eulina of the CEA, devised a new model of management. A short time later, the *Programa Integrado Entrada da Cidade*, PIEC (an urban renewal program), promoted by the local public authority in collaboration with private subjects, was launched in the same area as the association. The project consisted of various schemes for environmental regeneration, and improvement of the living and working conditions of the poor, who occupied a large part of the area.⁴⁴ The *Profetas da Ecologia* Association was also involved in the program. In fact, an agreement with the city administration provided that, in exchange for a specific amount of material received from the public sorted waste disposal service, the association would give jobs to all residents of the district who applied to the depot.

When I visited the association for the first time, there were 16 people present (12 women and 4 men). I was welcomed by Maria, the association's coordinator and *dona* Eulina's daughter. On my arrival, all the members of the association stopped work and gathered in the canteen to talk to me. This and other social practices observed—for instance, the management of breaks—denoted a particular attention to collective action. Work took place from Monday to Friday, from 7 A.M. to 2.30 P.M.. This schedule had recently been introduced to meet the needs of the majority of the female workers:

We're women and we've got to look after the children as well as work! So we reduced the number of breaks and slightly increased the work rate in order to sort the same amount of rubbish that we did when the working day lasted for eight hours. In this way, those women who have to look after their children when they come out of school can do so without bringing them here among the rubbish, and my younger workmates can continue attending afternoon education courses. (*Joana, papeleira, Associação Profetas da Ecologia, Porto Alegre*)

The recyclable material was sold every fortnight. The proceeds were divided among all the members who had worked in that period (according to the coordinator, in the last three months, on an average, each member had received more than R\$100 for each sale).

Features that I already observed interwove with new details, which combined to depict a reality in many respects unique. The women to

whom I talked belonged to two distinct generations: one aged 45–60 and the other 16–30. All the older female workers, but some of the younger ones as well, had previously been domestic workers or shop assistants or employees in small crafts workshops. Almost all the occupational trajectories recounted to me had the same epilogue: the loss of a steady job, followed by a sequence of temporary jobs, and finally the solution of waste recycling. The majority of the women had heard about this opportunity from relatives or friends. They seemed satisfied with two aspects of the work in particular: its regularity, and the strong sense of solidarity that bound the group together. Behavior within the association was regulated by a set of unwritten rules founded on the principle of solidarity: in fact, anyone unwilling to work collectively would not be accepted into the association. Apparent in the discourses of these women was a strong sense of pride in themselves and in their work, and the desire that their job should gain recognition outside the community of garbage collectors also:

The work that we do is very important for the whole community of Porto Alegre. For this reason, we want to receive the same rights as people working for firms and paying contributions to the INSS (National Social Security Institute). I believe that the entire population must change its perception of the work of the *catador*. Still today, many people think that collecting and sorting recyclable waste is only a job for human refuse! I can't accept that! The truth is that we perform an important and unpaid public service. (*Flor, papeleira, Associação Profetas da Ecologia, Porto Alegre*)

Some of the association's members were united by kinship (in this case, a small nuclear family: mother, father, and daughter), and as at the *Novo Cidadão* Association, they were the most proactive and influential components of this small group of people. Moreover, the coordinators of the *Profetas da Ecologia* Association and the CEA of Vila Pinto were close relatives. This relationship fostered informal collaboration and the frequent exchange of information between the two organizations.

Father Gustavo had not abandoned his initial idea of also involving *carroceiros* and *carrinheiros* in the collective enterprise. For this purpose, outside the shed, a series of masonry storage boxes had been constructed for use by the *carroceiros*. These boxes, in fact, were offered to garbage collectors who used to pass near the shed with their wagons and handcarts. They could thus have an alternative space to pile and sort the materials that they had collected instead of performing these operations at home. This space would also create closer physical proximity between the association and the autonomous garbage collectors, without requiring them

to forgo the freedom that they so strenuously defended. The project had not yet been completed (only four boxes were usable), and the first results did not seem encouraging (in the past six months only one *carroceiro* had used the space regularly, while another three had soon stopped doing so). According to Maria, the coordinator, this was due to the pressures applied by the middleman who controlled the recyclable rubbish business in the neighboring *vila*. This *atravessador*, besides providing many garbage collectors with the equipment needed for their work, owned the largest store in the district, where the *catadores* could almost always buy goods on credit. In this way, the bond—partly fiduciary, partly of economic dependence—between the middleman and the recyclers had become even more difficult to sever.

As said earlier, as the days passed, I spent less and less time working at the *Novo Cidadão* Association, and my infrequent presence in the depot probably made me more attentive to the changes taking place, in both the composition of the group and the organization of work. In the last days that I spent with the *catadores*, the allocation of tasks in the association was no longer a matter of individual choice. Instead, following decisions taken during a group meeting, it was structured according to specific criteria. Each member was employed in the task that produced greatest advantages for the association as a whole. For instance, because the group had recognized that the women were more dexterous and paid closer attention to details, they were assigned to work at the sorting table, while the men were given tasks that required greater physical strength. Some of my initial workmates had left the association, but the overall number had not changed. Of all the departures, I was most surprised by that of Ari, the oldest member of the association, both because he was among those who had made the greatest efforts to build the association and because, within the group, his opinion was almost always the one that had carried most weight. Ari's expulsion, according to what Emiliano and Rafael told me, had been decided because he had been caught pocketing part of the proceeds from the weekly sales to the middleman. By chance, one evening, while returning from a meeting at another association, I saw Ari trying to keep his balance on the sacks of rubbish heaped in the skip outside the *Novo Cidadão* depot. He had a handcart, which he said had been loaned to him by Cristiano, the middleman whom I had met previously. He had dyed his hair and he seemed tired. He said that he had left the association because he wanted to earn more, and because he no longer wanted to discuss every decision with all the members of the group. He now felt freer, and he reminded me that recycling was only a fall-back

solution for him, because “sooner or later I’m going to return to being a furniture restorer,” he said.

It was not necessary to investigate further what had really happened to understand how precarious the working and living conditions of these informal workers were. Ari, having lost the few guarantees provided by membership of the association, had inexorably returned to being an “invisible” worker. Relying solely on his own resources, he now had to fight a daily battle for survival. Observing him, only a few meters away from the depot in which he had spent so much time, scrabbling for a good piece of cardboard or a PET bottle without even briefly lifting his eyes toward his former companions, left me perplexed and sad.

2.10 The Federation of Garbage Collector Associations and the Political Administration

Despite the harsh working conditions of the *catadores*, their low incomes, and their confinement to the informal economy, they had managed to create a federation comprising many of the garbage collector associations of the Rio Grande do Sul state. The *Federação das Associações dos Recicladores de Resíduos Sólidos do Rio Grande do Sul*, FARRGS (Federation of Garbage Collectors’ Associations of the Rio Grande do Sul State) had been set up in 1998 as a result of “articulation and organization by exploited workers who over time have been able to acquire dignity and autonomy through the recovery of recyclable materials, contributing to conservation of the environment and improvement in the quality of life of all citizens” (FARRGS 2003). In 2000, FARRGS joined the *Movimento Nacional dos Catadores de Materiais Recicláveis* (National Association of Garbage Collectors),⁴⁵ contributing to the success of two important congresses for garbage collectors held in Brazil in 2001 and 2005.⁴⁶ In 2004, 44 associations belonged to the federation.

I was able to find out more about this organization by interviewing Natália, its coordinator, and a former *catadora*. She told me that she was proud of both the visibility that this regional network had acquired for its member associations and the protest actions organized by the FARRGS with the aim of obtaining full recognition of the work performed by the garbage collectors. In this regard, the Brazilian Ministry of Labor had recently inserted urban waste recycling in the *Classificação Brasileira de Ocupações*, CBO (the National Register of Occupations). This meant that a garbage collector could be eligible for a series of benefits deriving from access to the national social security system, as well as to services supplied

by the private sector, such as financial credit. However, this important recognition still had only symbolic value. To gain recognition of their rights and to qualify for certain services, the *catadores* had first to regularize their positions by quitting informal work. Unfortunately—as Natália told me—a *carroceiro*, a *carrinheiro*, or any member of garbage collector associations did not have sufficient monthly earnings to afford the social contributions required of self-employed workers in the regular or official economy. The cost of legalizing their positions was therefore too onerous for the recyclers, with the consequence that their subsistence, and relative well-being, continued to depend on extralegal agreements. For the FARRGS, and for its coordinator, the lack of economic progress by the garbage collectors prevented them from both escaping marginality and occupying economic niches, which would enable them not just to survive, but also to reinvest their profits in development of their businesses.

In an attempt to reduce the economic power of the middlemen and the few firms that purchased recyclable materials, the FARRGS, together with the DMLU, had launched a project for the construction of a recyclable waste collection center.⁴⁷ The principal aim was to concentrate the supply of recyclable materials collected by the *catadores* associations so as to give them a significant presence in the market. In practice, the trading center—which would be managed directly by the DMLU, in partnership with the FARRGS and the local association of *papeleiros*—would purchase all the material collected by the various associations and then sell it, on behalf of the same associations, directly to firms. The project also foresaw the creation of a fund from which the managers of the center could pay the associations upon delivery of the recyclable waste that they had collected. The proceeds from the sale of the material would be both paid into the fund and used to finance vocational training courses for the garbage collectors.

The topic of the trading center also came up in the long interviews granted to me by Raimundo, a senior manager at the DMLU, and Mercedes, head of *Metropolan* (Federal Environmental Management Department), a government body that promoted, coordinated, and monitored urban management and development schemes. Thanks to their valuable assistance, I was able to observe the problem of waste recycling from another point of view, that of the local government.

Programs for the collection and disposal of solid waste differed considerably across the Rio Grande do Sul. As stated earlier, the state legislation stipulated that the management and disposal of urban waste fell within

the exclusive competence of the municipal authorities. Consequently, the diverse ways in which the service was planned created difficulties both among different towns and in coordinating the bodies operating in specific conurbations:

In every urban setting, unique factors tend to prevail over those shared with, or comparable to, other situations. (*Mercedes, Metroplan, Porto Alegre*)

As regards Porto Alegre, the relationship between the municipal administration and the actors informally undertaking sorted waste collection had been intermittent and variable.

At the beginning of the 1990s, the municipal sorted waste service had been conceived largely in terms of an environmental policy serving two purposes. The first was to considerably reduce the use of open-air dumps and the environmental damage caused by them, at the same time establishing more rigorous control in their management. The second objective—closely connected to the first—was to remedy the increasing human degradation evident close to the dumps. The development of sorted waste disposal made recyclable refuse an important and accessible source of sustenance for many of the workers who had been expelled from the formal economy, mainly because of corporate restructurings and reorganizations in all productive sectors. It was neither automatic nor rapid to shift from the view of waste recycling as a policy whose benefits were strictly environmental, to a policy that could reduce the high rate of urban unemployment, and consequently attenuate the harm caused by increasing social fragmentation.

The readiness of the public authorities to promote “associationism” and several forms of “popular economy,” and to identify and allocate physical spaces for such activities, did not match the speed at which the waste recyclable market was growing. (*Raimundo, Departamento Municipal de Limpeza Urbana, Porto Alegre*)

Carroceiros and *carrinheiros* thus began to operate in many districts of the city in direct competition with the public service. To counter the unregulated growth of the activity, and its harmful consequences, the public administration again changed its approach to the problem. It began to promote and to support the associations of garbage collectors, reaching, with the majority of them, unofficial agreements on the supply of recyclable refuse and, in some cases, giving advice on how to arrange the work.

According to Raimundo, the trading center project should be viewed as an attempt to foster the economic growth of the *catadores* associations:

Today, even the garbage collectors working in associations still suffer from social exclusion. Finding instruments able to eradicate, or at least restrict, the economic exploitation of these workers will be the first step toward improving their working and living conditions. (*Raimundo, Departamento Municipal de Limpeza Urbana, Porto Alegre*)

The project had the even more ambitious medium-term goal of gradually reducing the number of garbage collectors working independently. Indeed, it envisaged a future scenario consisting solely of associations. The aim was therefore to use association membership as a means to gradually change some garbage collectors' practices, which seemed to be an obstacle to the improvement of social and economic conditions of the recyclers.

The future success of these strategies—designed in many respects to produce radical change—will largely depend on economic, political, and social conditions, and therefore on the conjuncture of often unique and unpredictable factors. At the time of my field research, however, many of the factors necessary for any centralized management of urban recyclable refuse collection to be feasible were apparently nonexistent. It was therefore difficult to foresee future scenarios concerning the work of the Porto Alegre garbage collectors.

In light of such uncertainty, more detailed knowledge of the reality of the *catadores* is obviously necessary, especially for the local policy makers who envisage such radical change.

Greater knowledge of the reality in which one intends to intervene, in fact, may enhance the perception of elements able to indicate the direction of change, as Mercedes pointed out:

Over 15 years, the growth of sorted waste disposal has shown us changes, a lot of them surprising, and I don't believe that the situation has stabilized yet. (*Mercedes, Metrópoli, Porto Alegre*)

2.11 Some Partial Conclusions: Informality, the Associative Form, and Political Authorities

The cities of the world's South exhibit striking contradictions, in which economic and social inequalities, largely due to unbalanced growth, become apparent. In those cities, characterized by rapid and often uncontrolled urbanization, complex interweavings arise between specific issues

to do with environmental sustainability and more general ones concerning the development paths pursued. When one observes at close hand the streets of many of those cities, the garbage collectors and their work are among the most apparent manifestations of these unresolved issues.

Using ethnographic research method, I observed some of the individual and collective practices that enabled the *catadores* of Porto Alegre to survive, while they contributed at the same time to the development of Porto Alegre's waste recycling system. The foregoing narrative has shown the extent to which the use of such research method enabled me to mingle with people considered "different," and to highlight some of the social processes that contributed to producing their specific social reality (Colombo 2001). The narrative has shown that the everyday lives of *carroceiros* and *carrinheiros* (most of whom were informal own-account workers) merged a variety of severely unfavorable circumstances: low education levels, widespread poverty and social marginalization, low incomes, difficult working hours and conditions, no health and safety protection, no social security, and economic exploitation. The striking image of the "shipwrecked of development," coined by Serge Latouche (1993), seems well suited to this group of workers. Moreover, the particular structure of the waste recycling market—composed essentially of garbage collectors, middlemen, and processing firms, with the last two extracting greater economic benefit from it—fosters neither economic growth nor the social integration of the *catadores*, even though their collection and recycling of solid waste has recently become an increasingly important stage in the production cycle of numerous firms.

In this scenario, individual resources such as creativeness, and "entrepreneurial initiative"—which I noticed observing the Porto Alegre garbage collectors practices—are able to ensure only individual subsistence. The difficulties facing the *catadores* therefore seem insuperable, considering the structure of the market and the everyday deficiencies with which they must cope (Rodríguez-Garavito 2005). However, this pessimistic conclusion is partly gainsaid by the experiences of "associationism" that I have described. Despite considerable difficulties, *Novo Cidadão*, like other associations, had slowly established a network of social relations that had created trust and "soft" reciprocal obligations among its members. It seems that the resources intrinsic to relational networks of this kind were becoming important means to reduce, partially but significantly, the high uncertainty that characterized the collection and sorting of recyclable waste by informal own-account workers in Porto Alegre. From this point of view, the social arrangements underpinning the

catadores associations act as institutions (though informal) that protect their members.

In fact, membership of an association gave access to guarantees that afforded partial protection against the untrammelled operation of the waste recycling market (e.g., the certainty that, in the case of illness, members of the association would receive a share of the weekly earnings). The “closer protections” (Castel 2004), afforded by interpersonal relational network, assured members a minimum level of security at the price, however, of their dependence on the group. In fact, those who did not belong to this type of community, or had been expelled from it, were extremely vulnerable. But the lack of independence is not the only social cost of working in an association as opposed to own-account work. For instance, the deliberative decision-making systems, used by the associations, frequently produced rifts among the associates, which hindered the organization of work and its efficiency. Other difficulties derived from the characteristics of the garbage collectors themselves: highly precarious life conditions and a generally low level of education often prevented full participation in the association’s decisions by all its members, and also impeded the realization of forms of work organization that, in other contexts, would be elementary and straightforward to implement.

These obstacles made it particularly difficult to create associations of *catadores*, and above all to consolidate them. Attempts to establish cohesive groups based on interpersonal trust, and to develop efficient systems of work organization, were often thwarted by conflicts of a severity likely to cause an association’s disbandment. During my period of observation at *Novo Cidadeão*, I witnessed situations of conflict provoked by the lack of clear definition of Emiliano’s role within the group, and by the sudden, and largely unexpected, exclusion of Ari, one of the oldest and most influential of the association’s members.

Despite these difficulties, some garbage collectors’ associations, observed in the field, have been able to reformulate their initial claims in more general terms. The CEA of Vila Pinto and the *Novo Cidadeão* Association in particular have not restricted their action to improving and extending their internal regulation. They have also directed their action externally, seeking to interact with other garbage collectors’ associations and with other individual and collective actors in the urban context. Some associations have engaged in dialogue with the principal manager of the sorted urban waste service, namely, the local public authority. Unofficial agreements between the public actor and associations have made larger

amounts of recyclable material available to the latter, while at the same time reducing the number of garbage collectors on the streets. Besides their concrete effects, these agreements have assumed an important symbolic meaning: they represent the first attempt to overcome the barrier of distrust, and perhaps also of incomprehension, separating the informality of the garbage collectors from the sphere of politics.

This closer relationship between the local public authority and the informal economy therefore seems to have been significantly facilitated by the “grassroots” associative form. Because the associations regulate the garbage collectors’ behavior and make it more predictable, and also furnish greater guarantees concerning the correctness of their sorting and stockpiling operations, they have become reliable interlocutors with which to stipulate cooperation agreements. The local public authority has thus begun to delegate certain public responsibilities to these private interest organizations. This particular development in the organization and regulation (internal and external) of the informal status in which the Porto Alegre garbage collectors lived and worked as well as the fact that the sorted waste disposal service was run mainly by the public authority have brought this type of informal economy closer to the redistribution sphere, as envisaged by Karl Polanyi’s (1957a, 1957c, 1977) scheme of the tripartition of forms of integration between economy and society.⁴⁸ In this case therefore the associative form seems to become a bond between the informal and the formal or regular economy, which ensures a certain regulation of the garbage collectors’ behavior, but, in some cases, also a greater degree of openness to the outside.

This page intentionally left blank

CHAPTER 3

Ambulantes and Camelôs (The Street Vendors)

I thought about what I had seen in Cuba, and about Venezuela, and about my own country. . . . I thought about when I went to Venezuela, I felt that for the first time I realized something about my country which I had never previously seen there: the idealism which is inherent to what I had experienced in the United States as materialism and individual self-seeking. I saw that for Venezuelans, for whom economic development had just begun, the democratizing of material consumption and the opening up of opportunities (for those able to seize them) was a truly exciting and liberating idea.

Lisa Peattie (1969) *Cuban Notes*.

3.1 Introduction

Since “early modernity,” cities, understood as large and dense agglomerations of numerous heterogeneous individuals (Wirth 1956), have been the subjects of many sociological and anthropological studies, some of which have become classics.¹ In the North and the South of the world, empirical studies have investigated the nature, and the main consequences, of the urbanization, migratory flows, and changes in the production system that, over the years, have transformed conurbations worldwide. The ethnographic approach has been frequently used in urban settings to analyze and interpret the economic and social marginality that, with different characteristics and to different extents, has accompanied the growth and development of large parts of the world’s metropolises.²

In the 1950s and 1960s, accelerated and unregulated urbanization in many countries, especially those in the South of the world, generated huge increases in the populations of the largest urban agglomerations. Rapid inspection of the statistical data reveals a scenario consisting of a

large number of city dwellers with living standards well below the poverty threshold and entirely without employment. Such data give the impression that growing masses of the hungry and homeless poor thronged numerous cities. But detailed empirical studies have furnished more composite descriptions of the phenomenon. They have shown that people on the margins of the formal economy used diverse strategies to ensure the subsistence of themselves and their families, often guaranteeing themselves at least one meal a day, a roof over their heads, and some of the comforts that we regard as essential in the industrially most advanced countries. Many studies have recounted how the poor spontaneously create, in city streets and squares, free markets of popular origin and operating outside the law (de Soto 1989; Nirathron 2006; Portes and Sassen 1987; Sassen 1989; Venkatesh 2006).³ Vennetier, on visiting some large cities in West Africa, gained the impression “that everyone had something to sell, everyone seemed involved in some sort of commercial activity” (Vennetier 1969, in Santos 1975, 213). At different latitudes, informal trade became the principal strategy whereby millions of people acquire sufficient incomes to survive. Studies have highlighted the role of social relationships in determining the outcomes of such economic transactions. In the 1970s, the American anthropologist Clifford Geertz and his research group studied the “bazaar economy” in the Moroccan region of Sefrou (Geertz, Geertz, and Rosen 1979). As Caroline Dufy and Florence Weber (2007) have well evidenced, Geertz showed how fragmented and unclear was information about the goods traded in the bazaars, and about the parties who ran the transactions. But these latter were “supported” by the social networks to which the traders belonged. As already discussed in the first chapter, Keith Hart (1973), in his study on informal economic activities in Accra (Ghana), investigated the nature of the social relationships that tied a specific social group together, and the function performed by such relationships in determining the satisfactory outcome of economic transactions. However, these ties may be multiple (involving customers, friends, and kin), and this multiplicity may influence the formation and composition of social capital (Coleman 1990).

In general, it emerges from these empirical studies that the informal business conducted in the streets pertains to what the Brazilian geographer Milton Santos (1975) called the “lower circuit of the economy”: alongside an upper (or modern) circuit of the economy there is another one consisting of small-scale manufacturing, frequently artisanal, or small-scale trade.⁴ According to Santos, the characteristics of the “lower circuit” can be aptly summarized by Lavoisier’s dictum “nothing is lost, nothing is

created, all is transformed”: old newspapers are turned into wrapping material, pieces of wood are fashioned into chairs, and supermarket trolleys are ingeniously converted into fanciful “mobile kiosks” loaded with food and drink.

In the South of the world, increasingly systematic analyses of urban hinterlands have recently shown that “the passive social landscapes which, once surrounded the cities of the Third world, have given way to noisier local personalities mixed with shabby imitations of the commercial arteries of North America” (de Soto 2001, 88). Informal trade, like other informal economic activities in urban contexts, has become an important source of employment, especially amid the great changes that have taken place in the economic and social systems of the industrially weaker countries. In recent decades, albeit to different extents, these activities have also assumed a significant role in maintaining the social order by giving employment to many migrants who have swelled the populations of African, Asian, and Latin American cities.

Since the 1970s, various attempts have been made in Latin America to map informal economic activities in the largest cities. At the beginning of the 1980s, for example, the *Instituto Libertad y Democracia*, ILD (Freedom and Democracy Institute), directed by Hernando de Soto, provided a detailed description of the forms of informal economic activities undertaken in Lima, Peru, identifying and analyzing aspects of informality hitherto neglected (de Soto 1989).⁵ The empirical surveys by the ILD research group identified the areas (accommodation, trade, transport) and actions whereby millions of people scraped a living on the margins of both society and the formal or regular economy.⁶ The informal economy has continued to be an important source of employment in South American cities since the advent of the neoliberal model of economic development, which, from the second half of the 1980s and at least throughout the 1990s, inspired the economic policies of the principal Latin American countries. In many of the latter, the shift from the economic model of import substitution industrialization (Furtado 1970; Hirschman 1968; Sheahan 1987) to the economic model endorsed by the so-called Washington Consensus, and essentially consisting in liberalization and privatization processes, has engendered significant changes in urban environments. The decline of formal employment in the industrial sector and the contraction of the public sector have had major impacts on the economic and social conditions of the population and on urban labor markets. Alejandro Portes and Bryan Roberts (2004) have shown how, in the Latin American countries, the job losses due to both abandonment of

programs for import substitution industrialization and the shrinking of the public sector have not been offset by adequate capital investments in the creation of private export-oriented enterprises (as instead anticipated by the neoliberal model). Consequently, in several countries, unemployment has grown, and, especially in urban areas, the number of people employed in informal economic activities has increased. For instance, in Argentina—one of the Latin American countries that has most vigorously adopted neoliberal economic policies—the unemployment rate doubled in the 1990s and in Buenos Aires rose from around 3 percent in 1980 to around 20 percent in 2001. In the same period, in the metropolitan area of Buenos Aires, the proportion of the economically active population employed in the informal economy grew from 13 percent to 34 percent. For Brazil the 1990s were years of relative stagnation, with slight economic progress, a slow and general worsening of working conditions, and an advance (albeit less marked than in Argentina) of the percentage of persons employed in the informal economy, especially in urban areas.

Thus, the economic and social environment that characterized the whole of the 1990s seems to have fostered the growth of self-employment and of microentrepreneurship, largely in the informal economy.⁷ In many of the congested metropolises of the Latin American countries, the sidewalks and streets have become, even more than previously, extralegal zones occupied by peddlers, artisans, hustlers (offering the most diverse and unusual of services), garbage pickers, street artists, preachers, or by innumerable minibuses that, although not authorized to carry passengers, compete with the local public transport services (Bromley 1998; Dewar and Watson 1990; Middleton 2003). To counter this illegal occupation of public property, many Latin American local administrations have introduced policies to transfer the informal commerce from the main streets to popular shopping centers located in the city outskirts (Cross 1998; Harrison and McVey 1997; Middleton 2003; Roever 2006). But in many cases implementation of these urban upgrading policies—whose main purpose is to make city centers more attractive to tourists—has had unexpected effects by inducing street vendors to invent new strategies for occupying the downtown streets (Bromley and Mackie 2009).

Hence, the street continues to generate the individual qualities and capacities of talent, enthusiasm, creativity, and ability to make a living out of practically nothing. Ingenious local adaptations add to the production of goods and essential services (and often replace them), radically transforming certain areas of manufacture, retail, construction, and

transport. All today one gains the distinct impression on observing the downtown streets of the large South American cities that the freedom of the individual is realized more fully in those spaces than in other contexts. It is amid the myriad informal economic transactions performed in the urban public space that the capacity always to find a way out of difficulties is most apparent. This is a particular aptitude, which, in different variants, is typified by people who work and survive on the streets. Philippe Bourgois (1996) has shown how even in a situation of extreme marginality—that of the Puerto Rican crack dealers of East Harlem in New York—people blame their existential marginality to a large extent on themselves. According to Bourgois, “perhaps it comes from blending the stubborn individualism of a *jibaro*⁸ past with the pioneer Puritanism of Anglo-immigrant legacy of the United States, and then the pressure-cooking the syncretic result in the survival-of-the-fittest pragmatics of New York City’s underground economy” (Bourgois 1996, 54).⁹ In the Brazilian culture, this aptitude is expressed by the term *jeito*, although it has less radical features than those observed and analyzed by Bourgois. Behaving with a certain *jeitinho* (little *jeito*) is not just to improvise mechanically but—as in the Italian *arrangiarsi* or the French *se débrouiller*—to be able to figure a way out from difficulties created by human and social relations (Meldolesi 1994), an aptitude that seems crucial for survival in informal street trade.

3.2 Camelotagem in Brazil and in Porto Alegre: An Outline

The *Instituto Brasileiro de Geografia e Estatística* (IBGE) reported that, in 2003, the majority of informal enterprises and self-employed workers operated in the trade and repairs sector (33 percent of the informal productive activities covered by the sample survey on the informal urban economy promoted by the IBGE). In the first years of the new century, the percentage of informal workers didn’t significantly decreased in Brazil, especially in the country’s metropolises: for instance, in 2004, informality in São Paulo involved more than half of the economically active population living or working in that urban area. As emphasized earlier, numerous factors have directly or indirectly contributed over the years to the consolidation—and in certain cases the growth—of the informal economy in urban areas: changes in the production system (with the increasing predominance of the service economy and the reduction of manufacturing activities); the onset of policies designed to promote

access, often uncontrolled, to the market; the reduction of the state's role in the economy; the decline of jobs in the public sector; and large-scale processes of often unregulated urbanization.

In Brazil, as in many other Latin American countries, studies on street trading,¹⁰ developed within the informal economy, have given different interpretations to the phenomenon. Several descriptive studies have highlighted the heterogeneity and fragmentation of this type of informal economic activity. For example, Kjeld Jakobsen, Renato Martins, and Osmir Dombrowski (2000) "mapped" the informal economy in the urban area of São Paulo at the end of the 1990s. They found that informal traders can be characterized by very different working conditions and situations. The research group noted a marked disparity in monthly household incomes (from less than R\$500 to more than R\$4,000), in the hours worked daily, and in the monthly profits earned by the street vendors interviewed (from R\$150 to more than R\$4,000). The survey also evidenced highly diversified work histories: some of the street vendors interviewed had previous experience of work in the formal economy; others had already worked in other informal economic activities; yet others had been street traders since they were children. In some cases, street traders have been described as people regains the power that centralized institutions denied them (e.g., Hart 1990), with the emphasis on the dynamism of their entrepreneurial activities. In other cases, street trading has been depicted as the only space in which people excluded from the formal labor market can survive—a space marked by great confusion, populated by an indeterminate number of social actors driven by need and fierce competition to take to the streets to sell goods or services of every type (ranging from foodstuffs, through clothes, toys, household products, toiletries, to illegal products such as counterfeit medicines).

Despite attempts to conduct more in-depth analyses of informal trade in public spaces, a wholly negative image of the phenomenon has recently prevailed in Brazil.¹¹ In general, the itinerant trade, which flouts the regulations established by the public authorities, has been represented by the media, experts, and political decision makers as symbolizing the uncontrolled growth of the informal economy and the precariousness into which increasingly large sections of society are forced. The media tend to focus on only one aspect of street trade: the sale of pirated or counterfeit goods. This is an important aspect of it but for sure it can't explain alone the phenomenon of street trade. In Brazil, the fake goods market—one of whose several retail channels is street trade—comprises a wide range

of products: clothing, footwear, spectacles, electronic goods, toys, CDs, DVDs, medicines, and cosmetics.

The *Associação Brasileira de Empresas de Vendas Diretas*, ABEVD (Association of Retail Businesses), has estimated that, in 2004, the sale of counterfeit products caused a 20 percent shortfall in total production for firms. Figures issued by the *Sindicato Nacional dos Auditores Fiscais*, UNAFISCO (National Fiscal Auditors Association), showed that every year the national tax system lost around R\$27.8 billion because of piracy. Again in 2004, the *Associação Protetora dos Direitos Intelectuais Fonográficos*, APDIF (Association for the Protection of Music Intellectual Property Rights), calculated that 40 percent of the CDs sold in Brazil were purchased on the black market. In the same years, the Brazilian division of the multinational Mattel estimated that the 25 percent of the toys sold in the country were fakes.¹²

The majority of these goods are produced in China, purchased at Ciudad del Este in Paraguay, and then resold on the downtown streets of the Brazilian cities. Ciudad del Este is the third largest tax-free zone in the world after Miami and Hong Kong,¹³ and it produces around 60 percent of Paraguay's gross domestic product (GDP). It is linked to Brazil by the *Ponte da Amizade* (Friendship Bridge): a tongue of cement around 500 meters in length crossed every day by more than 40,000 people, the majority of whom go to Ciudad del Este to purchase domestic appliances, televisions, toys, CDs, and a huge number of other products at prices on an average 40–50 percent lower than those in Brazil. Beyond the frontier, a host of tourist buses is ready to take these people back home. Commercial practices on the border between Brazil and Paraguay have been made notorious in Brazil by sensational television coverage. They dealt with maxi-operations put in action by the Brazilian police to combat smuggling and the flourishing “commercial tourism” that links Ciudad del Este with various parts of Brazil.¹⁴

The news pages of national and local newspapers frequently carry reports on seizures of counterfeit goods by the police, or articles on the economic damage caused by illegal trading to the national production system. Television newscasts devote ample coverage to the clashes between police and street vendors, which seem to occur with increasing frequency both on the frontier between Brazil and Paraguay, and in the cities where they disrupt public order and traffic flows, and in general the “urban decorum.”¹⁵

Not only do the media too hastily identify street trading with organized crime, they also tend to depict it as a typical phenomenon of late

modernity. But if the growth of street trading has assumed quantitative dimensions and distinctive qualitative features, this does not necessarily mean that its origin is recent. Thanks mainly to the studies of Pirenne (1925) and Braudel (1985) it is possible to reconstruct the history of the street vendor.¹⁶ The figure's origins and development closely interweave with the history of the merchant, with the alternating fortunes of trade with agriculture throughout the Middle Ages, and with the spaces that "places of exchange" (Polanyi 1957c, 1977) have conquered, lost and reacquired over a long period of time (Zurru 2005).

Focusing on the urban context of Porto Alegre, it can be said with reasonable accuracy that the center of the city has always been characterized by the presence of street vendors, especially if one considers the *Praça XV de Novembro* (Fifteenth of November Square), the site of the municipal market and the commercial heart of the capital of the state of *Rio Grande do Sul*.¹⁷ Porto Alegre's considerable growth in the nineteenth century was driven by the development of commerce. In 1820, the customs house was built in *Praça da Alfandega* (then called *Largo da Quintana*) to process passengers and goods arriving by river from bordering countries.¹⁸ The owners of the shops that faced the square—whose principal concern was to maintain, and also to increase, pedestrian traffic in the square by measures to preserve its "urban decorum"—persuaded the municipal authorities to move the street traders thronging the square to the adjacent *Praça Paraíso* (today *Praça XV*), which soon became the heart of the city's popular trade.¹⁹ Between 1930 and 1950 the city's urban landscape began to change radically: urbanization proceeded at unprecedented rates of growth, the first high-rise buildings were erected, and tree-lined avenues with numerous European-style cafés were constructed (Pinheiro Machado 2005). Inflows of people from the rural areas surrounding the state capital provoked a demographic explosion; but it was above all immigrants (mostly from Italy and Germany) together with the Brazilians of African origin liberated by the abolition of slavery who formed a huge urban low-income population. A 1958 article in the magazine *Revista Globo*—one of the most widely circulating magazines at the time—declared that:

At Porto Alegre, street trading has begun to appear in specific areas and mainly in proximity to tram stops, public markets, and other zones where pedestrian traffic is very frequent. In recent years, however, this form of urban economy has grown markedly and has spread throughout the city. The development of this "world apart" has even provoked changes in the urban landscape. . . . It is intolerable that this sort of commerce should go entirely unregulated, occupying all the sidewalks and transforming, with uproar and confusion,

the public streets into a gigantic supermarket. (*Comércio ambulante: pitoresco e abusivo. In Revista Globo, April, 1958*)

As pointed out by Rosana Pinheiro Machado (2005), the tone used in this journalistic account and the use of expressions such as picturesque, unlawful, a world apart show the extent to which “street trading was considered a phenomenon entirely detached from the rest of the urban environment, which was modernizing and developing both economically and socially” (Pinheiro Machado 2005, 61–62). The journalist also described features of street trade that are apparent today: its capacity to change the physical appearance of public spaces; the independence, enterprise, creativity, and “entrepreneurial spirit” of those who work on the streets; the mobile yet almost constant presence of street vendors in places with the largest pedestrian traffic; and the illegality of the economic activity as a whole, or only some aspects of it.

In 2004, it was estimated that there were on average around 4,000 street vendors informally plying their trade along the main streets of Porto Alegre.²⁰ However, calculating the number of street vendors working in the city center is rather difficult, because the number may vary considerably at different times of the year (e.g., it is high in the proximity of holidays like Christmas or “Children’s Day” or when Porto Alegre hosts important national and international trade fairs). Around 600 itinerant traders were enrolled with the *Sindicato dos Camelôs and Ambulantes de Porto Alegre*, SCAPA (the street vendors’ trade union).²¹ Of these, 420 had been regularized by a municipal ordinance of 1989,²² with which the city administration granted licenses to trade on public property to vendors who fulfilled particular requirements. Principal among these requirements were that the applicant must have occupied, constantly and for a number of years, part of public ground for commercial purposes; the activity must have involved several generations of the same family; and the goods traded had to be legal. In practice, only the vendors who had been trading for long time in *Praça XV* benefited from this regularization. In order to distinguish themselves from the other traders operating in *Praça XV*, they requested the public authority to call them *camelôs*, and they asked for the term *camelodrómo* to be used to denote the space on the square occupied by their stalls, which they had arranged to form a long “commercial corridor” connecting the bus station with one of the streets debouching into the square.²³ However, the 1989 municipal ordinance does not seem to have produced the simplification that the city authorities sought in order to improve management of street trading in Porto Alegre. On the

contrary, it seems to have made matters even more complex by introducing further fragmentation and differentiation.

3.3 The Research Questions and the Approach Adopted

In a setting where seemingly predominant is a monolithic image of informal street trade—the image conveyed by the media of “smugglers” flooding Porto Alegre’s markets with counterfeit goods—I believe it all the more necessary to immerse myself in everyday practice. I would try to grasp differences and specificities otherwise difficult to discern when relying solely on images that oversimplify the reality. Once again, my interest was in the specific processes that enabled a group of both female and male workers to ensure their subsistence and that of their families: How did the street vendors in various areas of the city behave in their daily lives? What were their working conditions like? Were there differences in behavior between the vendors with municipal licenses to trade on public ground and those without such licenses? What were the relations between these two groups? What were the relations among street vendors, shopkeepers, and the public authorities? What interpretations and meanings did the street vendors give to their status as informal workers?

In an attempt to answer these questions, I relied on the analysis of minute events. By directing my “empirical lantern” on such events, I examined the details of everyday routine, the rituals and relational processes of these social actors. As in the case of the “garbage collectors,” in order to understand the patterns of action that the social macrostructures imposed on them, I again used ethnographic research techniques: in particular, participant observation—for the most part “passive”—and the unstructured interview (Cardano 2003).

The first part of this chapter will focus on the *camelôs* operating in the *camelódromo* situated in the *Praça XV*. These were workers who differed in many respects from the other street vendors of Porto Alegre, but principally because they were almost the only vendors able to trade legally on public property. Subsequently, the focus will shift to those who did business in the streets by illegally occupying public space. Described in the last part of the chapter will be attempts to organize the street vendors of Porto Alegre into more or less formalized associations. The sequence of the description also corresponds to a rough geographical division: in fact, the street vendors of the *camelódromo* are to be found in the *Praça XV*; the irregular *ambulantes* mainly worked in the nearby commercial district surrounding the streets of *Voluntários da Pátria*, *Vigário José*



Figure 3.1 Map of Porto Alegre city center

Source: Google Maps.

Inácio, José Montauri, and Dr. Flores; while I met members of the main *ambulantes* associations in the more peripheral avenues, *Osvaldo Aranha*, *Protásio Alves*, and *Assis Brasil*, and in the central street, *dos Andradas* (see figure 3.1)

3.4 Physical and Social Access to the Field

The downtown streets of Porto Alegre are the setting for a wide range of commercial activities, which change according to the time of day, the weather, the season, the economic cycle, and the human dispositions. On weekdays, it is interesting to observe the regular alternation between two types of commerce. Along the long street *dos Andradas*, or the noisy and aromatic streets *Voluntários da Pátria*, *Vigário José Inácio*, *José Montauri*,

Máua, *Dr. Flores*, *Riachuelo*, and *Caldas Junior*, as the glittering lights, which embellish the windows of shops and large stores, are switched off, lamps and bulbs precariously (and often illegally) connected to the mains electricity supply²⁴ are switched on to illuminate the colors of another type of commerce—alternative but perhaps (at least partly) also dependent on and complementary to the official or regular one. It is difficult not to be astonished at how constantly present trade is in the lives of the city's inhabitants. The alternation and competition between commercial activities belonging to the “upper circuit of the economy” and those belonging to its “lower circuit” (Santos 1975) fuel—especially in the city center—a temporal continuity of economic transactions, which only stops briefly late at night and then resumes at sunrise.

The vendors display a huge variety of items for sale: clothes, books, electronic devices, toys, handbags, umbrellas, domestic appliances, personal accessories, pens, handicrafts, and foodstuffs of every kind. During the day, informal commercial activities—at least in the city's central zones—overlapped with formal ones: the street vendors, in fact, positioned themselves close to large stores and shopping centers. Moreover, the informal commercial circuit offered a range of products similar to those of the formal circuit, often only differing from them in terms of quality and price.

Approaching *Praça XV*, one's attention is immediately caught by the multiplicity and vivacity of its colors and noises. The square is one of the most popular areas in the city and is much visited by tourists. As stated, it contains a historic two-storey building housing the municipal market, and the *Chalé de Praça XV*, a traditional meeting place for the city's residents.²⁵ Along the sides of the square, there are areas occupied by fruit and vegetable stalls, as well as the terminal of many of the city's bus routes. Besides being thronged with pedestrians, the square is by tradition a place for the expression of freedom of thought and speech: the crowd of passersby thus mixes with preachers, protesters, jugglers, panhandlers, and rough sleepers. The square's vivacity is heightened by the clamor of the *camelódromo* and the *camelôs*. As already mentioned, this long “commercial corridor” consists of rows of stalls, similar in shape and size, erected on one side of the plaza. The two rows of authorized stalls are followed or flanked by tarpaulins and wooden or polystyrene crates on which irregular peddlers display their wares. Those vendors do not have a stable disposition and they move around their stuff during the day creating, in this way, a variable environment, with no fixed forms and boundaries. Also the stalls of the *camelódromo* are mobile, and every evening at dusk, the

camelôs closed them down and trundled them to a nearby private parking lot situated in an old building facing onto the square. Movements one couldn't easily imagine if not by direct observation: the stalls, in fact, are so overloaded with goods that it is almost impossible to see the paving stones beneath them. Their complete similarity of size and shape and their particular arrangement makes them seem parts of a monolithic and immobile whole.

Curiosity mingled with trepidation when, for the first time, I decided to walk down the corridor of stalls. It was a winter's day with leaden skies and in which the natural light had soon given way to artificial illumination. A light but insistent rain had forced the vendors to hoist plastic sheets above their stalls, thereby transforming the passage into a tunnel which gave me the distinct and unnerving impression that I had only two, and equally distant, escape routes. Life suddenly seemed to accelerate when I entered the corridor: at my every step, the vendors strove to attract my attention. They showed me their merchandise, tugged at my sweater, whistled, constantly parroted promotional slogans, or addressed me directly with rhymes and puns that I labored to understand. Despite my habit of never carrying objects of value, some meters along the "commercial corridor" my hand instinctively strayed to protect the trouser pocket in which I had put some banknotes.

The feeling of not passing unnoticed, the constant attempts by the *camelôs* to engage your attention, and the narrow space, provoke a sense of disorientation as you walk through the *camelódromo*. That physical space seemed to generate the reverse of the general indifference and impersonal relations typical of the metropolitan landscape.²⁶ If impersonality, indifference and reserve can be described as distinctive features of the metropolitan environment, in almost reverse, the physical proximity among bodies in the *camelódromo* prevents visitors from establishing the same mental (and physical) distance that they can achieve externally to it. In that space, interpersonal contact is almost unavoidable. It establishes a series of face-to-face relations, at times fleeting, at times repetitive, which in many respects clash with the anonymity of the pedestrians in *Praça XV*.

As in the case of the garbage collectors, I made my first contacts with the *camelôs* through the credit agents of the *Portosol* community association. The street vendors were among the main users of the microcredit services furnished by this organization. Indeed, there was a credit agent who dealt solely with the downtown streets of Porto Alegre, which was the area in the city with the highest density of *camelôs* and *ambulantes*.²⁷

During the days when I accompanied Marta (the *Portosol* credit agent),²⁸ I was able to interact with several street vendors. The majority of them had municipal authorization to occupy public ground, a license to trade, and they worked principally on the city's two main squares (*Praça da Alfândega* and *Praça XV*). With Marta's help, I met two middle-aged women with a stall in the *camelódromo*. During our second visit to *dona* Maura and *dona* Gloria, nicknamed Neca, I was able to explain to the two women some of the objectives of my empirical research, and I told them that I would be very grateful if I could observe them at work. However, in order to accomplish this phase of my research, I had to overcome not only the distrust of the stallholders, but also obstacles raised by the municipal regulations on commerce in the *camelódromo*. The rules stipulated, in fact, that only two persons could work on a stall at the same time. The opportunity for me to get round this obstacle came by chance:

Tomorrow I start treatment on my knee. . . . I get more and more pain from this knee! This damned pain is due to the hellish life I've led here for more than 20 years: hour after hour on my feet, in the sun, in the rain, with the cold and the heat. My bones have suffered! For some days—not too many, I hope!—I must get treatment and rest my leg. On the days when I'm away, you can be here with the Neca. Be our guest! (*dona Maura, camelô of Porto Alegre*)

It was thus that I began a new experience of in-depth observation in another section—numerically and qualitatively significant—of the community of women, men and children who survive by means of informal economic activities in a great city of the world's South.

3.5 *Camelôs*

My first day at work began at around 7.30 A.M. on a cold winter's morning. The *camelôs* moved their stalls from the nearby garage to their pitches marked out on the paving stones of *Praça XV*. The younger vendors helped colleagues in difficulties to maneuver their large and heavy stalls, so that quite soon the "commercial corridor" of the *camelódromo* had been assembled (see photo 3.1).

On my arrival, Maura was busy giving final instructions to Neca, her *funcionária* (assistant), who would run the stall on days when Maura had to rest because of her damaged knee. After greeting me, Neca began the laborious work of laying out the goods for sale. She extracted boxed roller blades and many other roller-skating accessories from the inner compartment of the stall and arranged them on the counter. As she did so, Neca



Photo 3.1 The *camelódromo* from an angle

seemed to take particular care to match colors and shapes. The number of the articles to display and the scant space available seemed difficult to reconcile, but Neca's skill and experience enabled her to accomplish what at first sight appeared impossible: in fact, only two pairs of knee-guards were left in the stall's interior, while ingenious use had been made of even the narrowest sill on the stall to compose a harmonious arrangement of colors and shapes. According to Neca, making a stall attractive was a winning business strategy in a sector—that of street trade—described as highly competitive:

We're not the only ones selling these roller skates in the *camelódromo*. But the biggest problem is the *caixinhas* (irregular vendors) who trade outside the *camelódromo*²⁹! They sell low-quality products but at lower prices. What confusion they cause! It's different in here. People know each other and help each other out, *né*? But there's only one law that rules here, the *Obirici* law³⁰! If we can sell more than the others, then we sell more, and no problem, *né*? So it's also important to know how to treat customers and catch their eye, *né*? (*dona Gloria, nicknamed Neca, funcionária at the camelódromo of Porto Alegre*)

The creativity of the stallholders in the *camelódromo* was restrained by rules imposed by the municipal authorities. For example, the display of goods on the square's paving is not permitted, and stalls have to be uniform in size and structure. All the *camelôs* comply with these

regulations, although those with greater financial wherewithal and a larger number of goods to display complain about the small amount of space allocated to them. The vendors in the *camelódromo* possess both municipal authorization to occupy public ground and a license to trade. These two legal guarantees entitle the *camelôs* to work without constant harassment by the municipal police or agents of the *fiscalização* (the Federal Fiscal Police Force). Nor do they have to worry about the daily struggle to occupy a space on the pavement, as instead happens in the streets leading to the square. As mentioned, in order to obtain these benefits, the *camelôs* have to comply with a set of regulations imposed by the municipal authorities. Besides the rule on how goods are to be displayed, others regulate working hours, the number of persons who can work at a stall, and the types of goods that can be sold. Moreover, according to the municipal law of 1989 that regularizes the *camelôs* of *Praça XV*, the stalls are personal property and could only be transferred by inheritance (“from father to son”); consequently, the stalls in the *camelódromo* can neither be sold nor rented. In practice, however, as we shall see, many of these rules are breached.

From the early hours of the morning, conversation among adjacent vendors was incessant. Opposite our pitch a middle-aged woman sold beauty products and small household items; on either side of her, two stalls, one heaped with toys, the other with T-shirts and sweaters, were run by men aged between 40 and 50. To our left, two young men sold consoles and other accessories for video gaming, while, to our right, two women, whom I imagined to be mother and daughter, sold handbags, waist pouches, backpacks and umbrellas. The *camelôs* frequently exchanged opinions on events in the *camelódromo*: interventions by the municipal police; a quarrel between colleagues; the small boy who had pilfered from a stall situated at the end of the “commercial corridor”; rumors about new municipal laws to restrict street trading in the city center; “infiltration” by unauthorized peddlers (the *caixinhas*), who were becoming increasingly resourceful and numerous; the situation at the border between Brazil and Paraguay; and the adventures of the *sacoleiros* during their journeys from Ciudad del Este to Porto Alegre.

Neca and her neighboring stallholders seemed to cooperate closely with each other, as demonstrated by various episodes of reciprocal help during their long hours of work in the *camelódromo*. For instance, when Neca had to go to the toilet or to eat, she asked Wilde—the young *camelô* running the next stall—to take care of her business while she was away.³¹ Likewise, it was not unusual to hear the *camelôs* around the stall where

I worked asking each other for small loans. In these cases, however, the lender always demanded repayment within a few days, saying that otherwise interest would be charged. These mutual trust relations among *camelôs* seemed functional to performance of their work; consequently, changes in personal relations could complicate their working conditions, as Neca recounted:

Dona Sonía (the vendor who ran the stall next to ours) used to be my friend and a trustworthy person. When I had to leave the stall, I always asked to her to look after it for me. But a few weeks ago, a *fulano* (dude)³² who works down the way told me that Sonía was going around saying that I drink too much. So we quarreled and I don't even look at her any more, neither her nor her daughter. . . . What a family *sem graça* (disgraceful), *né?* (*Neca, funcionária in the camelódromo of Porto Alegre*)

Discussion among the *camelôs* often became animated, being only interrupted by the approach of a customer: the vendors then changed their expression and tone of voice, concentrating on the potential buyer's gaze and movements. Each stallholder had his or her own style of selling. But all of them were very helpful to the people who approached their stalls; and when they were unable to serve them, they readily pointed out the nearest stall where the article could be bought, or even sent their *funcionário* or *funcionária* to purchase it.

My first days as participant observer passed slowly as I watched the behavior of the *camelôs*, talked to Neca and, with some difficulty, also the neighboring stallholders.³³ Many of the *camelôs* that I met had been working on *Praça XV* for more than 30 years. Businesses often involve the entire family, and degree of kinship seems to be an important factor in determining tasks and payments. Usually male members of the family go to Paraguay to buy goods to sell in Porto Alegre; while the stall is entrusted, in hierarchical order, to the female members of the family, or to children, or, lastly, to the *funcionário* or the *funcionária*. As Pinheiro Machado (2005) has shown, at some stalls this hierarchy is reproduced in remuneration: a consanguineous son or daughter could earn up to R\$50 a day, while adoptive children earned at most R\$25 a day (and the *funcionários* even less). Membership of a family of *camelôs* also contributes to reinforce the distinction between those working in the *camelódromo* and those outside it. According to the *camelôs*, belonging to one of their families is often enough to be considered a "good street vendor," while the irregular traders—as already said, the so-called *caixinhas*—are often dismissed as "bad vendors." Another factor determining the status of

camelô is the number of years spent working on the street. In fact, many of the men in the *camelódromo* who have worked for some years as street vendors, besides being more respected and trusted by the other members of the group, own several stalls, which they entrust to relatives (or to *funcionários* serving the same employer for many years).

Unlike many of the vendors in the “commercial corridor,” Neca had not been born a *camelô*, but had worked as an *ambulante* for more than 20 years in various zones of the city. Her movements around Porto Alegre had often been made necessary by changes caused by factors internal and external to her life: the resurfacing of the street where she used to trade; the end of her marriage (Neca’s husband had been a street vendor), with her consequent decision to work on her own account in a different part of the city; and harassment by the public authorities. For four years, she had worked more than ten hours a day as a *funcionária* in the *camelódromo*. Her job enabled her to provide for herself and her son, and it also gave her the security that she had not had when she worked outside the “commercial corridor.” For the first time, in fact, she had occupied the same pitch for several years, and she had done so legally. This relative stability had enabled her to establish quite close interpersonal relations, which made her feel more secure, and confident that there was a small group of people on whom she could rely in case of need:

Wilde, Chico, *dona* Maura, César, also *dona* Sonía and her daughter, are people I can trust, *né*? I can ask them to lend a hand if I need one. Since I’ve been a *funcionária*, I know I’m going to earn something every day. My dream is to begin earning enough to get myself regularized: a worker with the *carteira assinada, né*?³⁴ (Neca, *funcionária* in the *camelódromo* of Porto Alegre)

The working conditions and the earnings of the *camelôs* seemed to depend on numerous external factors, such as the weather, the good results of the journeys by the *sacoleiros* to Paraguay, and the period of the year. Sales fluctuated during the days when I accompanied Neca in her work, and sometimes nightfall came with only a single pair of roller skates having been sold. Business seemed to go better for our neighbors, and especially at the end of the day. Toward evening, in fact, the *camelódromo* came to life as its spaces filled with passersby interested in the goods on display. Youths spread tarpaulins heaped with bootleg music CDs on the pavement beside the authorized stalls, and their mobile stereos made the street life even more vibrant. The *camelôs* suddenly regained the energy to promote their wares: they endlessly repeated fanciful slogans,

compliments, gestures, and wisecracks. During my period spent in the “commercial corridor,” I always observed an increase in the crowd and transactions toward evening, whereas the early hours of the day passed slowly as the *camelôs* swapped stories, gossiped, organized their stalls, and waited for customers.

3.5.1 Other Economic Actors in the Camelódromo

The stallholders and their *funcionários* are not the only social actors working in the *camelódromo*. Every day—at regular intervals—the “street food traders” appear among the stalls. These are men and women with suitably modified supermarket trolleys who sell food and drink to the *camelôs*: coffee, beverages, sandwiches, cakes, but also warm food prepared at home. Each *camelô* is usually supplied by the same “street food trader” who notes purchases in a *caderninho* (notebook) so that the account can be settled at the end of the day (or, in certain cases, at the end of the week). Whereas these traders allow the *camelôs* to defer payments, the latter never give credit; instead, they always demand immediate payment, and in cash.

The profit earned by the *camelôs* whom I observed was entirely used as working capital to ensure their survival. It gave continuity to their businesses by financing the purchase of goods at Ciudad del Este, or from large wholesalers. Only in rare cases did the street vendors set some of their profits aside as savings. The immediate cash payments characteristic of economic transactions in the *camelódromo* contrasted sharply with the deferral of payments increasingly commonplace in retail trade within the formal circuit of the economy. In a certain sense, the physical settings of these two different realities further accentuated this contrast. On the one hand, were the tall buildings lining the streets of the city center, where shops offered, regardless of the goods concerned, various forms of deferred payment in order to increase their sales. On the other hand, were the street vendors, whose stalls or tarpaulins spread on the pavement offered goods similar to those displayed in the shop windows but at lower prices (and often of inferior quality); they demanded in exchange, however, immediate payment and in cash.

But the contrast between formal and informal trade did not only concern settings and forms of payment: the *Sindicato dos Lojistas do Comércio de Porto Alegre*, SINDILOJAS (the shopkeepers’ union of Porto Alegre) had for many years campaigned against street trade in the city. Its campaigns against *ambulantes* and *camelôs* had always been vigorously

opposed by the street vendors' union (SCAPA), which in the early 2000s had managed to prevent the city administration from launching an urban renewal program. The plan would have moved the *camelôs* to a building situated in another part of the city. In face of action by the shopkeepers' union, the street vendors seemingly put their internal divisions aside to resist the shopkeepers and harassment by the police:

The shopkeepers' union wanted to get rid of the *camelódromo*, and it still pressurizes city hall to strengthen controls by the tax police and prevent the *caixinhas* from working! But they have to live as well! The SINDILOJAS is always against us! (*César, camelô of Porto Alegre*)

Besides the "street food traders" who pushed their makeshift carts along the entire "commercial corridor," I met other figures whose activities were crucial for the economic well-being of many *camelôs*. These were the *sacoleiros*, who traveled to Paraguay at regular and frequent intervals to purchase large quantities of merchandise. Although there were some *camelôs* and *ambulantes* who acted themselves as *sacoleiros* by going to Ciudad del Este, other street vendors preferred to delegate the task.³⁵ There were numerous stallholders in the *camelódromo* who undertook the journey to Paraguay: the women usually ran the stalls, while the men were responsible for acquiring the goods to be sold, and often relied on the flourishing Ciudad del Este market as their sole source of supply. Three times a week, a bus belonging to a private company that otherwise organized tourist excursions, left the center of Porto Alegre for Foz do Iguaçu, a town on the border with Paraguay. The passengers on the bus were *ambulantes*, *camelôs*, and the owners or assistants of shops selling all their items at R\$1.99. These were largely habitual passengers in that many of them had traveled regularly to Ciudad del Este for more than 20 years. The bus left Porto Alegre at 6 p.m. and arrived in Foz do Iguaçu at around 10 a.m. of the next morning. The street vendors spent the entire day crossing the *Ponte da Amizade* to reach Ciudad del Este and purchase their merchandise. If they could, many of the vendors then spent the night in Foz do Iguaçu and left for Porto Alegre in the early hours of the next morning.

However, various factors may change this routine: it cannot be taken for granted that crossing the border will be problem free; moreover, in periods when the Brazilian Federal Police steps up border controls, the likelihood grows enormously that all the goods purchased across the border

would be lost or seized by the police, or that the return to Porto Alegre will be delayed. Such unforeseen events during the journeys to Paraguay had been elaborated into adventure stories which over time had become “legends.” These stories frequently recounted the “heroism” of *sacoleiros* as they transported goods from Ciudad del Este to Porto Alegre, enhancing their status in the community of street vendors. During the days that I spent in the *camelódromo*, I often heard tales of buses travelling long distances in order to find alternative passages or to keep the bus movement, while waiting for border controls to relax. I heard of pursuits, of ruthless police officers and corrupt ones, of vendors who reported themselves to the border police to prevent confiscation of the entire bus with its load of goods, and of amusing episodes which occurred during journeys. These stories extolling the prowess of street vendors and *sacoleiros* were often used to highlight the dangers and difficulties that they had to face to remain in business, and to exalt their resourcefulness and courage.

Testifying to the importance of the commercial link with Paraguay was the anxiety with which the *camelôs* awaited news from the border. On several occasions, I observed the distress of *camelôs* on hearing that customs controls had been tightened. Without the goods transported from Paraguay, they would have to resort to wholesalers in São Paulo or sell fruit and vegetables. Such changes would inevitably reduce their earnings and force them to dismiss faithful *funcionários*. As Pinheiro Machado (2008) noted, recent policies to intensify controls at the border between Brazil and Paraguay had reduced the value and number of goods that could be brought into Brazil (as already stated, three bags for a maximum value of \$150), imposed stricter controls on counterfeit products and electronic goods, and led to more frequent police raids. Nevertheless, although these measures had created further difficulties for the *sacoleiros*, they did not seem to have decreased the frequency of their journeys to Ciudad del Este.³⁶

For more than three years Neca had relied on the same *sacoleiro*, from whom she commissioned purchases twice a week. She usually bought small quantities of goods, because she did not want to accumulate merchandise which might then prove difficult to sell. Although these were mostly counterfeit goods, Neca, like the other stallholders, did not seem particularly worried. She said that only by selling such products she could accumulate the capital necessary to run a business able to satisfy fluctuating and varied demand. Moreover, in some cases, the *camelôs* were unaware that they were selling fakes.

I've known the *sacoleiro* who does my purchasing for many years. It would be too dangerous for me to go to Paraguay. And then who would look after the stall while I was away? It's better to rely on Miguel (the *sacoleiro*), né? I pay R\$20 for the roller skates and I sell them for R\$45, but I'm honest, né? Some of them in here try to earn more. Not to mention those outside, who only sell trash! I usually buy more merchandise before Christmas or Children's Day, but I hope that the border police will let me work! (*Neca, funcionária in the camelódromo of Porto Alegre*)

Camelôs and *sacoleiros* are bound together by informal contractual obligations, because their economic relations are based on trust and mutual advantage. A strong deterrent for *sacoleiros* not to breach agreements reached with the *camelôs* seems to be risk of exclusion from the market. In fact, competition among *sacoleiros* is fierce, and the fact that they serve a closed "social circle" (that of the *camelôs*), within which information circulates very rapidly, seems to act as an effective deterrent against breach of agreements by the *sacoleiros*.

3.5.2 The Younger Camelôs

As I walked the long corridor between the stalls at different times of the day, I noticed that many of the *camelôs* were aged between 15 and 25 years. Many of them were the children of *camelôs* who had left school early to devote themselves to the family business. Although the older *camelôs* wanted their children to be able to read and to write correctly, they recounted with pride how they had taught them a trade, and thus improved their own economic situation:

By now Chico is better than me! He knows how to attract customers and talk to them, and he also goes to Paraguay! He's a *bom camelô*, and this makes me proud of him! (*senhor Ari, camelô of Porto Alegre*)

Many of the younger *camelôs* and *funcionários* sold electronic devices, video games, CDs, and DVDs; these being the goods which, during the period that I spent in the *camelódromo*, were most in demand but, at the same time, were most frequently pirated. Alongside the stall belonging to *dona* Maura and *dona* Gloria, Sérgio, a young man of 27, sold electronic games. Sérgio had inherited the stall from his father around five years ago. At sunset, his stall was always one of those which attracted most teenagers (but also adults), and from various social classes. These were usually customers in search of the latest version of a video game or

a new electronic accessory to give as a present to a relative or a younger friend. The goods displayed by Sérgio were cheap because in large part they were copies. Moreover, this *camelô* sold pirated copies of video games and DVDs: a form of illegal trading that, if discovered, could entail confiscation of all the goods on his stall, the payment of a fine, and withdrawal of the municipal street trading license. Sérgio had adopted various strategies to protect himself against these risks as far as he could: he concealed his illegal merchandise within the interior of the stall; during the lightest hours of the day he denied that he had any such goods for sale but then hinted to potential buyers that if they returned at nightfall, they might find what they wanted; he “screened” customers by considering only those who seemed more reliable, given his experience as a vendor. But corresponding to the greater risks run by Sérgio and many other young *camelôs* were earnings that were decidedly higher than those of stallholders selling goods of other kinds.

Possibility of good earnings, and of working as a free agent, seems to be the main factors that induce many young people to venture into street commerce. Not always, however, has the activity of *camelô* been the first employment of these young workers.

For example, Mateus—Sérgio’s young *funcionário*—had worked for some years as a messenger boy at the administrative offices of a large commercial firm. But he had then been made redundant by a corporate restructuring plan. Clélia, the 25-year-old daughter of *dona* Sonía, had worked the previous year in a supermarket, but her fixed-term contract had not been renewed. To make ends meet, she had begun to help her mother on the stall; and, even if she considered the job to be a stop-gap solution, her hopes of finding stable employment in the formal circuit of the economy seemingly faded with each day spent in the *camelódromo*. Besides a lack of alternatives, there are other factors that make it increasingly difficult to leave this particular economic and social system:

They start in the *camelódromo* when they’re small, and the more time passes, the longer they spend in here: so friendships, love stories, and at times families, are born here. You work and you live in the *camelódromo*! I began by selling on the streets when I was sixteen, and since then this has been my only life! (*dona Maura, camelô of Porto Alegre*)

As *dona* Maura told me, many behaviors by the stallholders in the *camelódromo* made their workplaces seem part of the private sphere—almost as if the stalls were their homes. On some of my visits to *camelôs*

whose acquaintance I had not yet made, I was welcomed politely, invited to sit on a stool, and offered a cup of coffee. Many *camelôs* kept items of clothing and personal hygiene products in the interiors of their stalls. Especially on days when it rained, having a change of clothes could be useful, although the *camelôs* still often had to spend long hours in wet clothing. Although the catering service describes above indicated a substantial level of organization in the *camelódromo*, it also shows how difficult it is for the *camelôs* to leave their stalls for even a short while. Street trade—even in the *camelódromo* which in many respects means greater security—seemingly requires a constant presence in the workplace which hinders the *camelôs* from developing their private lives. The difficult working conditions of the *camelôs* therefore have undesirable human and social consequences. One of them is the forced “public display” of private life. For these social actors, the street—an urban space usually characterized by impersonal relations and general anonymity—changes radically in nature and becomes a place of intimate private relations.

3.5.3 *Collective Actions in the Camelódromo*

During my days in the *camelódromo* I was able to gain better understanding of how the *camelôs* interpreted their actions. Behavior largely driven by economic rationality seemingly coexisted and interacted with actions oriented by the principle of solidarity. These latter actions only took place within small groups usually formed of neighboring stallholders. As mentioned earlier, *dona* Maura, Neca, *dona* Sonía, Sérgio, and César had established proximity relations that facilitated the everyday management of their businesses. Within this small group, in fact, personal relations enabled the *camelôs* to leave their workplaces (albeit only briefly), know who they could rely on in case of need, and be sure that no direct commercial competition would arise among the small group's members. However, such reciprocity practices were much weaker in broader groups:

If I can “eat” the *fulano* who sells the same things as I do in the *camelódromo*, then I’ll “eat” him, no problem. Everyone looks after themselves: it’s the *Obirici* law! That goes for the *caixinhas* as well, but they don’t make our lives too complicated (they are complicated enough already!). If they do, I’m sorry, but the strong “eat” the weak. (*César, camelô of Porto Alegre*)

The relation between *camelôs* and *caixinhas* became conflictual when it concerned large groups forming a single entity, while it seems to be more

complex and less homogeneous at the microlevel of the single individual. For instance, Sonía had established a reciprocity relationship with Pedro, a *caixinha* who for several years had sold CDs from a pitch opposite her stall and to the exterior of the *camelódromo*.

The difficulties of building trust relations, and these reciprocity practices on a larger scale, were also apparent in both the now-described failed attempts to organize a system to protect the *camelódromo* against the rain, and the problems encountered by the sectoral trade union (SCAPA) in trying to represent and organize such a heterogeneous category of workers.

The *camelôs* had invented various systems to cover their stalls so that they could continue to work in all kinds of weather. On sunny days, when the heat and the intense light began to interfere with the vendors' work, each of them took two or three beach umbrellas from the interior of stalls, opened them, and arranged them in a particular order. *Camelôs* with adjoining stalls helped each other, and the long "commercial corridor" soon became a shaded mall protected against the sun's heat—which might have deteriorated some of the goods on display and also discouraged people from walking down the *camelódromo* during the hottest hours of the day. In order to keep out the rain, the *camelôs* had instead tried to cover the entire *camelódromo* with a single sheet of plastic, but this solution was soon abandoned. Neca, *dona* Gloria, César and Chico told me that the huge canopy of yellow plastic had created more problems than it had solved. When the rain was only light, not all the *camelôs* had wanted to use the plastic sheet and these differences of opinion had often degenerated into violent disputes. Moreover, because not all the vendors had contributed financially to purchase of the canopy, those who had done so often complained that their stalls were not fully protected, accusing those, who had not paid, of using excessively large parts of the covering. Because of this constant wrangling, the enormous sheet of yellow plastic, and the "popular engineering techniques" devised to quickly cover the *camelódromo* were abandoned after a few months. Sonía, Chico, Sérgio and Wilde had bought a much smaller sheet to protect their stalls against the rain. Once again, therefore, the *camelôs* demonstrated a capacity for collaboration, reciprocity and coordination, but they did so only in very small groups.

As said earlier, the SCAPA trade union represented large part of the *camelôs*. In the past, it had successfully opposed an urban renewal project which would have moved the *camelódromo* to a peripheral area of the city. Whereas during that emergency SCAPA's role had been strongly supported by its rank and file, at "ordinary" times, the union found it difficult

to exercise representation. In particular, the attempts by Evaristo Mattos, general secretary of SCAPA, to extend the union's representation to irregular street peddlers had not been welcomed by the *camelôs*, who feared that they would lose their acquired rights to trade in the *Praça XV* and, in some respects, their identity.

We need a cooperative of street traders which enables us to purchase goods from wholesalers. But when a cooperative is set up, everyone must be a member and pay into a fund for the purchase of goods. At the moment, this stage is creating problems: there are those who don't want to join the others; those who don't want to give up their journeys to Paraguay; those who don't want to buy merchandise together with the others; and those who don't want a common fund to be created. In short, getting the *camelôs* to agree is not at all simple! And everything gets more complicated when we start talking about the *caixinhas*. They might be willing to enroll with the union, but only if they don't have to regularize with the SMIC. I can understand their anger with the SMIC, which, every day, send its agents into the streets to stop the *caixinhas* from working. But these workers have to survive, especially in this period of high unemployment! At the same time, the union tries to cooperate with the SMIC, so it can't accept members who aren't regularized with the municipality. Many *caixinhas* ask me for a place in the *camelódromo*, but the vendors in the *camelódromo* have more seniority; before the *caixinhas* can enter, they must make their bones in the streets outside, day after day. (*Evaristo Mattos, general secretary of SCAPA*)

The dilemma represented by *ambulantes* and *caixinhas*—understood as both a source of problems and a potential basis for enlargement of the union's representation—and the difficulties in realizing the project to set up a cooperative of street vendors, had led many *camelôs* to believe that they were no longer adequately represented by SCAPA; they were consequently seeking some other channels for representation of their interests.³⁷

I spent several days in the *camelódromo* and, at the end of the day when the stalls had been removed, I was always surprised at how quickly the square acquired spaciousness difficult to imagine some hours previously. The wan street lamps lit up; passersby assumed a more leisurely gait; the shops rolled down their shutters; the street stalls and the shops inside the municipal market closed, the last illegal vendors of fruit and vegetables left *Praça XV*. Almost simultaneously, other commercial activities started up: long stretches of the pavements of the nearby and apparently endless streets of *Vigário José Inácio*, *Voluntários da Pátria* and *dos Andradas* were covered with large tarpaulins on which other street vendors laid out their wares in readiness for new and various transactions.

3.6 *Ambulantes*

This “handover” from formal to informal trade that takes place every evening in the downtown streets of Porto Alegre attracted my curiosity from the first days of my presence in the city. Many irregular street traders work—with fixed or mobile pitches—on the streets of the center throughout the day, while other informal vendors take over from them between 6 p.m. and 10 p.m. This timetable has been decided by the municipal administration, which authorized street trade in the central zone only during the hours when retail businesses in the formal circuit of the economy are closed: in the evening after 6 p.m., on Saturdays from 1 p.m. onward, and on Sundays. The street *Voluntários da Pátria*—perhaps the most chaotic area of the city center—is a long commercial artery connecting *Praça XV* with a working-class district that I had already visited together with the “garbage collectors” of the *Novo Cidadão* Association (see the previous chapter). Traffic is extremely congested in the district also because of the presence of three bus stations. The street is a natural prolongation of the more down-market trading conducted in *Praça XV* because it has numerous bazaars, large stores, and shops in which all items cost R\$1.99, as well as a host of *lanchonetes* (bars).³⁸

As I walked along *rua Voluntários da Pátria* I was forcefully struck by the heterogeneous swarm of people who thronged it from the early hours of the morning, the vibrancy of the regular and irregular trade going on, and the general confusion that seemed to reign. My ears were bombarded by promotional slogans, the street vendors’ banter, and the refrain *vale-vale-vale, vendo vale-transporte*, which multiplied along the entire street like an echo *in crescendo*.³⁹

It was difficult to approach and talk to the street vendors without expressing an interest in purchasing their wares. During the daytime, in fact, they were frenetically engaged in getting the best spaces to display their merchandise (the most sought-after places were street corners) and attracting customers in the midst of the confusion. They also needed to be constantly ready to gather up their goods and take to their heels if a municipal policeman appeared in the vicinity. In the evening, although the *ambulantes* occupied fixed pitches, they were disinclined to engage in any lengthy conversation: they had only a few hours (around four) to do business and therefore did not want to be distracted. In these circumstances, my usual difficulties were compounded by another, and unexpected, problem. A young vendor of CDs and DVDs reacted to my

attempts to explain the reason for my questions by brusquely telling me to go back to the *camelôs*,

Those *filhos da mae* (whoresons), who get together with the SMIC agents to stop us working! (*Caixinha who usually worked in the street Dr. Flores*)

Disorientated by the revelation that my brief period in the *camelódromo* had been noticed, I decided to rely again on “cultural mediators” (Cardano 2003, 125), this time to introduce me to *ambulantes*. Once again it was Marta, the *Portosol* credit agent, who performed this role and enabled me to make direct contact with what seemed to be another branch of street trade in Porto Alegre.

3.6.1 *Practices to Occupy Space*

It was thus that I met Nelson, a 60-year-old *ambulante*.⁴⁰ He had begun street-selling in 1992, after working for more than 20 years in a textiles company, until a workforce reorganization plan made most of the longest-serving employees redundant. Nelson looked for another job in the formal part of the economy, but in vain. After several months of unemployment, he decided to go into business with his wife, who had long worked as a seamstress (often on commission by street vendors who lived near their home). Nelson thus began to travel into the city to sell the clothes made by his wife. For the first two years he had waged a daily struggle to acquire a pitch with a constant flow of passersby, and also where action by the police and the SMIC agents was relatively infrequent:

I arrived in the center every morning at around eight, and I tried to occupy the same bit of pavement until nightfall. There was a constant danger that the *fiscalização* would come and take my stuff away; especially at the beginning, I had to watch out for the other *ambulantes* who wanted the same pitch. Above all, I had to be careful not to occupy the pitch of some old persons. It was a long and difficult maturing process, but today it's as if this place has my name written above it; I've become one of the old ones! (*Nelson, ambulante in rua Voluntários da Pátria, Porto Alegre*)

The *ambulantes* in this street have developed a set of rules which regulate the allocation of pitches, thus averting situations of disorder and danger that might decrease the flow of customers or attract the attention of the police. Generally, before an *ambulante* earns the right to occupy a fixed space on the pavement, he has to spend a period in the side streets, which

are less crowded and where it is usually more difficult to sell.⁴¹ The *ambulante* needs to work on these streets for the entire day in order to show his desire to occupy a fixed space, as well as to understand where the other vendors set up, what sites are the most sought after, and who already have fixed pitches allocated to them.

Nelson said that being able always to occupy the same pitch was a privilege acquired only with time and a great deal of perseverance. Once a pitch had been acquired, it was necessary to be constantly present on it, because competition was fierce, and frequent attempts were made to breach the informal rules regulating the activities of the street's *ambulantes*.

Attempts by the *caixinhas* to occupy pitches already assigned are most frequent at times when the city center is especially crowded: for example, during the Christmas holidays or when an important event is held in the city. On these occasions, numerous people, also from areas close to Porto Alegre, improvise as street vendors for a few days, swelling the numbers of the *caixinhas* working in the center. It thus becomes very difficult to keep check on the movements of people intent on gaining the maximum rapid profit from their improvised economic activity. Moreover, some of the spaces occupied by the *ambulantes* are operated by organized crime groups, which also control large part of the trade in stolen and counterfeit goods.

Some of Nelson's colleagues were forced to work for these crime groups in order to repay debts incurred by investing in goods which had then proved impossible to sell, or after the confiscation of counterfeit goods by the city police.

Some years ago the gangsters and the smugglers controlled the cigarette trade. Today they run the trade in pirate CDs and DVDs, in electronic equipment, and stolen goods: in short, everything that makes more money! Fashions change, and they change the interests of the gangsters! But according to the TV all street traders are smugglers anyway, right? (*Nelson, ambulante in rua Voluntários da Pátria, Porto Alegre*)

Some *ambulantes* sight to reinforce their "informal rights" to their pitches by reaching agreements, equally informal, with shop owners who let them occupy space in front of their premises in exchange for an (always informal) surveillance service. From the point of view of the organization of space, these agreements indirectly help make the arrangement of the *ambulantes'* pitches more orderly: in fact, almost every shop window has a street vendor stationed in front of it.⁴² During the days I spent with Nelson, I obtained confirmation, also visual, that it was often the more

elderly *ambulantes* who had the right to a fixed pitch, or those *ambulantes* with greater financial resources (along the pavement, in fact, there were also pitches occupied by youths dealing in electronic goods, pirate CDs and DVDs).⁴³

In this street, moreover, it seems that the vendors with greater financial capacity—and, consequently, more goods to display—enjoy the significant competitive advantage of being able to occupy a larger display area. In fact, those who occupy larger portions of pavement—which might even correspond to more than one shop window—are able to display a wider range of goods, and thus exploiting the advantages deriving from the selling strategy known as “visual marketing.” This greater freedom granted to individual initiative distinguishes the area of the street *Voluntários da Pátria* from that of the *camelódromo*, where, instead, although the vendors have different economic resources, each *camelô* has the same number of meters on which to express their professional abilities and creativity, with a lesser degree of freedom.

3.6.2 *Workers in the Street: Activities in the Evening*

The pitch occupied by Nelson was rather large, and so was the range of goods which he transported into the city every day in two enormous bags. He sold sports clothes very similar in appearance to the designer items worn by teenagers from the city's more affluent classes. In four years, with the assistance of the microcredit program run by the *Portosol*, Nelson had bought machinery for the manufacture of the goods which he sold in the street *Voluntários da Pátria*. He had converted the rear of his house into a small informal workshop where he (during the mornings) and his wife (for the entire day) worked with the assistance of two seamstresses. Nelson spent the afternoons purchasing fabrics from a friend who owned a small registered outlet. In this way he was able to enjoy, at least to some extent, the benefits of purchasing wholesale. Nelson also spent hours visiting the shopkeepers and street vendors who regularly commissioned items of clothing from his sweatshop. His evenings were devoted to retail, which generated the financial resources necessary for his business's survival. This combination of manufacture and retail meant that Nelson often had to work for more than 12 hours a day.

For Nelson and many of the other street vendors specialized in apparel, their day-to-day work in the street *Voluntários da Pátria* enabled them to observe people's style of clothing and constantly monitor changes in taste. The *ambulantes* could thus rapidly note shifts in fashion, and they were

often able to quickly adjust their supply to changes in demand. At that time, Nelson was selling swimwear and sweaters. Although Nelson's models were very similar to those displayed in the windows of the city's large sportswear stores, all his products were stamped with counterfeit brands. In fact, he had used his last microloan to purchase a printing press with which to reproduce the designer brands most recognized by the public, above all juvenile. On the evenings when I observed Nelson at work, *rua Voluntários da Pátria* was crowded with youngsters—mostly from the *vilas* surrounding Porto Alegre—in search of the “symbols of consumerism” whose counterfeits they could afford.

So I make counterfeits? But what's legal and illegal today? If you think about it, my friend, my creations make consumption more “democratic”: my work, the work of my wife, like that of others here in the *Voluntários*, mean that many people can buy products which otherwise only a few people could afford. These designer sweatshirts cost a lot of money, and only the *patrizinhos* (slang expression for upper-middle-class youth) can afford them, or the *filhos de mãe* (whoresons) who sell drugs in the *vilas*. I sell sweatshirts made of good fabric with new colors and at good prices: they're bought by *guris* (kids) from the *vilas*, but also by the *guris com grana* (kids with dough), who go to the luxury shopping centers. Buying from the *ambulantes* has become a fashion! (*Nelson, ambulante in rua Voluntários da Pátria, Porto Alegre*)

The purchase of counterfeit goods thus seems to be an attempt, that could be unexpected by young people from the poorest classes of the population to imitate a lifestyle very distant from their everyday circumstances. At the same time, the purchase of such goods by affluent young people seems an attempt to approach the street culture that is such an important part of contemporary youth fashion (Bourgois 1996).⁴⁴

Nelson sold his products at prices which were double his production costs. In the previous two years his sales had realized sufficient profits for him to apply for several microloans, but not to “formalize” his business. He regarded the state tax system as excessively burdensome on small manufacturers. However, Nelson's business was not entirely informal, because he purchased his materials in the formal circuit of the economy. He stressed that street vendors often made purchases at regular shops (“because we too like beautiful things!” he said); moreover, they spent so long in the streets that they were among the most loyal customers of the *lanchonetes* and cafés of the city center.

Notwithstanding the status of informal self-employed worker, Nelson was seeking ways to access the social benefits accruing from operation in

the formal economy. Specifically, in order to gain entitlement to a pension, he wanted to resume the social security contributions which he had begun to pay when he worked in a textiles mill.

Anyway, awareness that the results of Nelson's business depended on a series of unpredictable factors beyond his control—for instance, decisions by the municipal authorities on the occupation of public ground or, more banally, the weather—seemed to have induced him, and many other *ambulantes* in the same uncertain circumstances, to adopt high-risk strategies in order to obtain immediate economic results, but without considering their longer-term futures.

3.6.3 *Workers in the Street: Activities During the Day*

It was not only in the evenings that the *rua Voluntários da Pátria* was animated by the bustle of street trade. During the day, some sales clerks from the numerous shops lining the street came out of the buildings, seated on high stools, and used megaphones to invite customers reciting sales slogans, which reverberated along the street. The pavement was thus transformed into a large open-air market in which both formal and informal workers competed for the attention of passersby. Amid this noisy confusion, I met Daniél, an older man with copper-colored skin, an impressive bulk, and a contagious smile. Daniél worked all day in the zone, but he changed locations and types of goods for sale from morning to evening. I first encountered him at the intersection of two streets very close to a large bus shelter. On a small wooden bench he had placed *vales-transporte* for sale, and he touted them by constantly rearranging them, and endlessly chanting *vales-vales-vales, vendo vales-transporte (vales-vales-vales, I sell vales-transporte)*. Daniél always purchased *vales-transporte* from the same persons at a cost of R\$1.10 each and he re-sold them at 1.40, realizing a profit that on good days could amount to R\$100. This, however, was not Daniél's only business. While he was peddling *vales-transporte*, his wife and son sold household items in the street *Dr. Flores*—a road intersecting with *rua Voluntários da Pátria*. Moreover, from 6 p.m. to 10 p.m., Daniél had a fixed pitch in the street *Voluntários da Pátria*, where he displayed a different and wider range of articles (women's clothing as well as usual household items). Like Nelson, Daniél did not devote his energies exclusively to street trading; with the assistance of his family, he produced a limited range of goods (mainly T-shirts, bandanas, and flags) at home, especially on the occasion of major events like music concerts, congresses,

and political rallies. These goods were usually retailed to other vendors, who then sold them on the streets.

Daniél's working day was almost never the same as the one before, because he divided his time varyingly between commerce and manufacture.⁴⁵ Crucial for him to be able to combine the two activities was the assistance of his wife and son, who worked on the street when Daniél was busy in the workshop. He was thus able to hold onto the "sales outlets," which he had acquired with such difficulty over the years.

Here it's the strongest ones who win. Yes, there's friendship among *ambulantes*, but business is business. Then there have been more and more *caixinhas* in recent years, and they always fuck things up! It's their fault if SMIC has recently clamped down. Many of them are young, and with young people you have to be tough to get yourself respected! Luckily, for some years I've had my son to help me. He went to school, but it's better to work; there's too much unemployment at the moment. (*Daniél, ambulante in rua Voluntários da Pátria, Porto Alegre*)

Although Daniél no longer sold counterfeit goods purchased in Paraguay, he was forced to change locations repeatedly during the day, mainly because of his irregular trade in *vales-transporte*.

The situation at the frontier is getting difficult for us small *ambulantes*: the police officers ask for more and more, and then there are the raids. . . . I've given up going to Paraguay, it's a too risky business! And anyway there are the wholesalers; and then some of the merchandise I produce myself. (*Daniél, ambulante in rua Voluntários da Pátria, Porto Alegre*)

Daniél's decision to abandon the market of Ciudad del Este was therefore not due to a desire to deal in noncounterfeit goods. The legality of his wares did not seem worry him particularly, whereas he regarded the uncertainty due to his illegal occupation of public ground and the fact that he had to work in the open air as the factors most damaging to his business:

Do you see how many we are? I tell you, there are too many of us! And with so many *caixinhas* it's natural for shopkeepers to call the SMIC. I'd do it myself if I was in their shoes! When my family and I began to occupy this pitch, there were only a few *ambulantes*, but now there are too many of them! Then there are the *caixinhas*, who sell CDs and play music at such high volume . . . It almost knocks you over! You'll see the police will begin to come here one day, and the next day as well! So our work gets more and more difficult! And then

it's cold. When it rains only a few people pass by, and those who do are running for shelter. Nobody stops, we don't sell and we don't earn. In fact, we lose at times because the merchandise gets wet! It's tough working on the street, my son! (*Daniél, ambulante in rua Voluntários da Pátria, Porto Alegre*)

During the days when I accompanied Daniél, I grew increasingly aware that unpredictability was the most distinctive feature of the work of the *ambulantes*. My weariness at the end of the day was often due not so much to the commercial activity in itself as to the constant movements made necessary by the arrival of the municipal police, the SMIC agents, or sudden changes in the weather, or by our attempts to follow the constantly changing flow of the crowd. According to Daniél, in order to improve the working conditions of the street vendors, the municipality of Porto Alegre should build a covered *camelódromo* equipped with all necessary services. However, this *camelódromo* would have to be located in the city center, where the flow of pedestrian traffic was larger and more constant. In this case, Daniél would be prepared to pay a monthly rental for a space in the *camelódromo*; in exchange, he said, the city administration should regularize all those who joined the project. The position of the new *camelódromo* was of crucial importance for Daniél. It was for this reason, he said, that he had supported the battle fought and won by the SCAPA trade union some years previously, when the local administration had proposed the construction of a *shopping popular* in an outlying area of the city.

While a new *camelódromo* project is awaited, in the street *Voluntários da Pátria* a series of informal norms established a certain social order among the *ambulantes*. This prevents situations of anarchy that might irretrievably jeopardize street trade. Also during the daytime, in fact, the more elderly vendors, like Daniél, defend the space around their pitches against encroachment by the *caixinhas*, whose presence impedes the visibility of the goods displayed by the vendors already in place. A hostile stare is frequently sufficient to make an intruder withdraw. But sometimes the gaze and charisma of the most experienced *ambulantes* are not enough. Heated arguments erupt, and in some cases turn violent: vendors begin to jostle and threaten each other, and for a few minutes the order regulated by the informal norms of the *ambulantes* break down.

3.7 The *Feriantes da rua dos Andradas* Association

Already at first sight, the street *dos Andradas* seems very different from the streets *Voluntários da Pátria* and *Dr. Flores*, despite its physical proximity

to them, and although it has the same schedule for legal street trading. This commercial street crosses the entire center of Porto Alegre and, although it is only a block away from the boisterous confusion of *Praça XV*, or *rua Voluntários da Pátria*, it has a different atmosphere, which is less involving, perhaps more impersonal. During the day, one encounters many types of business when walking along this pedestrian street: the city's biggest bookshop; large clothes and sportswear shops; elegant boutiques; and numerous banks. This is also the location of bars with minimalist décor, and the historic meeting places where, according to the time of day, groups of *Portoalegrensi* (citizens of Porto Alegre) of different generations meet and start animated exchanges of opinion.

Street trading is forbidden during shop opening hours, and the prohibition seems to be largely respected. Only a few are the vendors, most of them concentrated toward the ends of the street or at its intersections with side streets. Some *caixinhas* walk the entire length of the street without halting, briefly displaying their wares; some beggars solicit passersby; and you can also see occasional buskers. Also in the street *dos Andradas* the physical and social space observed during the hours of the day changes noticeably at sunset as the shops close. The central part of the long and wide avenue is occupied by a large number of *ambulantes* who carefully arrange their wares on canvas.

As I walked along the two passages formed by the central swathe of vendors, I noted a number of details which differentiated this open-air market from its counterpart in the street *Voluntários da Pátria*. The atmosphere was, if not peaceful, at least composed and orderly. Pedestrianization of the street had enabled a more rational organization of space: the vendors occupied the central portion of the pavement illuminated by the street lamps, leaving two broad walkways free for passersby. Moreover, the *ambulantes* occupied portions of the pavement of uniform size, creating an orderly geometric pattern. The street traders—who, as I had already observed in other areas of the city, took the place of shop employees at dusk, prolonging the city's retail trade almost indefinitely—seemed to know each other. They moved from one informal “sales outlet” to another, clustering into groups for what seemed highly animated discussions. Many of the *ambulantes* belonged to the *Associação Feriantes rua dos Andradas* (Association of the *Dos Andradas* Street's Vendors). The association was created three years ago to organize protests by street traders against the city administration's decision to reduce the hours for authorized street commerce. The collective action by the *ambulantes* had produced good results. Bolstered by their success, they had decided to

take joint action on other issues concerning their work. The *Associação* had 236 members in 2004, and Arthur had been its president for around two years.

I first encountered Arthur at a meeting of the *Comitê de camelôs e feriantes*, more commonly called the *Comitê da Economia Informal* (Informal Economy Committee), that is, a group set up by an number of street traders to organize representation of their interests. In this case, the “cultural mediator” who enabled me to attend the meeting was not a *Portosol* credit agent or a volunteer worker from some nongovernmental organization, but an *ambulante*. During the meeting, I talked to several *ambulantes* and made an appointment with Arthur to meet the next day, around at 6 p.m., in the street *dos Andradas*.

It was an evening in mid-September. The tenuous sunlight was giving way to the artificial light of the street lamps, and *rua dos Andradas* was being transformed by the arrival of the *ambulantes* and their multicolored wares. Arthur sold items of clothing which he made at home with the help of his wife. Once again, I hit on a case of an informal microentrepreneur who sold what he manufactured. In the street *Voluntários da Pátria* most of the vendors peddled goods from the market at Ciudad del Este. By contrast, as the days passed, it seemed to me that in the street *dos Andradas* the majority of vendors almost exclusively sold what they produced, devoting the entire day to manufacture, the purchase of materials, and visits to regular customers (most of them owners of small shops on the outskirts of the city), and the evenings to trade in the street (see photo 3.2).

During the days when I accompanied Arthur, however, it was his wife who looked after the business, while Arthur was more preoccupied with matters concerning the association. He walked endlessly up and down the street, holding spontaneous meetings with other associates. He told them what the *Comitê da Economia Informal* had discussed and mediated disputes among members of the association. On occasion, he accompanied visiting politicians, introducing them to some of his fellow traders and stressing the difficulties of their work.

Many other small, yet significant, details differentiated this reality from that observed in the street *Voluntários da Pátria*. As said, I found that relatively few of the *ambulantes* working in *rua dos Andradas* sold goods from Paraguay or counterfeits. Entry to the association was free for all vendors occupying part of the street's pavement. However, they could continue as members only if they abandoned imported products and switched to the sale of goods manufactured in formal and informal workshops on



Photo 3.2 Members of the *Associação Feriantes rua dos Andradas*

Brazilian territory. This rule, Arthur told me, had also had important effects in gaining legitimization for the association:

Here we try to sell what we produce. It's a hard struggle, because many *ambulantes* want to earn as much money as quickly as possible, and the best way is to sell *muamba* and *bugiganga*⁴⁶ made in China and bought in Paraguay. It's really not easy, and I'm always arguing with my comrades who still sell *bugiganga*. But we've got to distinguish ourselves from the *caixinhas*, it's the only way to gain credit with the city hall. And then in this way we can keep criminals out of the association. (*Arthur, President of the Associação Feriantes rua dos Andradas*)

The certainty, albeit relative, of having a space to do business in the evenings seemed to have prompted many of the associates to combine trade with manufacturing of some kind. Nina, for instance, was a 60-year-old woman who made hats and pullovers. Every month she purchased scrap material from large textiles mills on the suburbs of Porto Alegre. Using this material she sewed together woolen items in an informal workshop set up in her home, and then sold them in the street *dos Andradas* and to shopkeepers who commissioned various models from her. She was able to earn even R\$400 a week, part of which she deposited in a savings account, which she called her "security for when I stop working *na pedra* (in the street)" (Nina, *ambulante* in *rua dos Andradas*).

Also other *ambulantes* who had achieved a degree of economic stability like Nina used individual or collective strategies to acquire social benefits similar to those granted by regular employment in the formal part of the economy, but without “formalizing” their businesses. I came across only a few, and often partial, attempts at regularization, and they concerned only certain segments of informal economic activity. In some cases production was regularized, while everything to do with merchandising remained informal; in others, employment relations were regularized (usually with fixed-term contracts), while the enterprise continued to operate informally. In this way, the formal and informal economies intertwined, impeding distinction between what belonged to one sphere and what to the other. Eduardo, for example, was one of the few *ambulantes* in the street *dos Andradas* who also owned a small textiles firm regularly enrolled on the business register. This “formalized” part of Eduardo’s business combined with others conducted in the informal economy. Eduardo in fact outsourced some production phases to small workshops or self-employed workers operating in the informal economy. Moreover, he continued to trade some of his products informally. His business generated a significant profit, which could seem incongruous his continuing membership of the *Feriantes rua dos Andradas* Association. Yet it had certain logic to it. Eduardo continued his work as a street vendor because it yielded immediately money liquidity which was the more useful because almost all his other economic transactions involved deferred payments. Moreover, the competitive strategy for this small entrepreneur was based not only on price but on other factors as well—such as the ability to anticipate competitors in marketing new models; consequently, continuing to trade *na pedra* enabled Eduardo to monitor and adapt to changes in customers’ tastes and preferences.

The majority of the *ambulantes*, who also manufactured their products, had become street vendors after working in other jobs, frequently in the formal or regular circuit of the economy. Some of them had worked for several years in small- and medium-sized firms that, for various reasons, had been restructured with often relevant redundancies. Generally, the laid-off workers had invested the small amount of capital accumulated during their years of regular employment in machinery, materials, and (sometimes) training so that they could set up as own-account artisans.

By contrast, few young people combined retail with manufacture. In this case, the lack of financial capital to invest and a greater propensity for risk—manifest in both the decision to sell illegal products (e.g., pirated CDs and DVDs, counterfeit sunglasses and other articles, electronic

devices of doubtful provenance) and the decision to cross the border every week to purchase below-cost goods for resale in Porto Alegre—were apparently two major obstacles against the change required to retain membership of the association. Moreover, a lack of specific skills seemed to be a further important factor in the choices made by the younger *ambulantes*, who in many cases had begun as street vendors without completing compulsory schooling.

Most part of who had instead finished school had also acquired some brief experience in the formal part of the economy, almost always in temporary jobs, mainly in services, and without responsibility and poorly paid. There were thus differences between the older street vendors with some work experience in the formal economy and the younger ones. The former had often had jobs for a number of years as blue-collar workers in industry, and then they gained some skills; the latter had worked briefly and sporadically in services, often in the humblest and most precarious jobs.⁴⁷

I've been *na pedra* for three years and it's a constant struggle. The SMIC agents, round-ups, and the older *ambulantes*: it's stress all the time! Two years ago I worked in a large office in the city center. I made photocopies all day long, they treated me badly, and everyone thought I was a moron. My contract lasted six months, but after four months I quit and came back *na pedra*: here it's tough, but the others don't treat me like a moron. You fight to survive! But, if I work hard, in a few years my situation will be better. (*José, caixinha aged 21, rua J. Montauray*)

The *Feriantes rua dos Andradas* Association offers various incentives to encourage the switch from one commercial strategy (the sale of imported counterfeit or stolen products from the illegal sphere of the economy) to the other (the sale of self-produced articles). These incentives essentially consist in material and immaterial benefits deriving from membership of the association.

Arthur, for instance, was able to manage many of the spaces on the street *dos Andradas* that the city administration allocated to street trade. Membership of the association therefore brought greater certainty with respect to the occupation of public land.⁴⁸ Furthermore, three girls who sold jewelry and underwear told me that they had been able to work with greater peace of mind since they had joined the association, both because they did not have to fight constantly to defend their pitch, and because the close social ties among the association's members reassured them that they had someone to rely on in case of difficulty. I observed several episodes



Photo 3.3 Member of the *Associação Feriantes rua dos Andradas* outside the South American agro-food trade fair

of solidarity among the association's members. One occurred during the South American agro-food trade fair, held every two years in Porto Alegre at the beginning of September. On the occasion of this event, the *Feriantes rua dos Andradas* Association was allowed by municipal concession to occupy 35 pitches outside the fairground (see photo 3.3).

The pitches were occupied in rotation by members drawn by lot (given that the association has 236 members). But it frequently happened that those selected shared their pitches with *ambulantes* who had been excluded, thus performing a social exchange with an expected return in the future. Such demonstrations of solidarity did not include, however, nonmembers of the association.

The agro-food fair brings numerous visitors to Porto Alegre, and this influx attracts a large number of street vendors, especially to the area around the fairground entrance.⁴⁹ For a week, the usual *ambulantes* working in the city are joined both by people improvising as street vendors for the event and by *ambulantes* from towns close to Porto Alegre.

Despite surveillance by the municipal police, I witnessed various moments of tension between members of the *Feriantes rua dos Andradas* Association—who had the right to a pitch—and other *ambulantes* who, although unauthorized, claimed the right to work. Frequently, before the police arrived, heated arguments erupted among the street vendors, with the irregular vendors accusing Arthur and his companions of being “in

cahoots” with the *Prefeitura* (the city administration). Although Arthur tried to talk with these vendors, he was inflexible in defense of the privilege of possessing the city’s authorization to do business at the fairground, aware that the privilege was a valuable “associative benefit.”

During the days that I spent in Arthur’s company, I learned of other episodes testifying to the creation of close social bonds within the association. For example, after a long and difficult discussion, the association’s members had decided not to use small gazebos—consisting of a collapsible metal framework covered with waterproof fabric, which allowed the *ambulantes* to work in the rain and protect their goods on display—because not all members possessed one. Use of gazebos by a few members would have reduced the visibility of the goods displayed by the others. This would have penalized the latter and probably provoked conflicts. However, the most significant material benefit deriving from membership of the association was access to private health insurance. This scheme, set up on agreement between Arthur and a private insurance company, enabled associates to take out health policies at rates lower than those usually charged to self-employed workers. It had been welcomed by Arthur’s comrades, although some of them still expressed doubts:

The *seguro saude com desconto* (discounted private health insurance) is a good opportunity but it doesn’t put an end to uncertainty. Here we still only work at night: if it rains or if not many people pass our pitches, we don’t earn. And if you don’t earn, you can’t pay the premium on the *seguro saude*, even if it’s discounted. (*dona Beatriz, ambulante member of the Associação Feriantes rua dos Andradas*)

These significant benefits were accompanied by social costs that had restricted the growth of the association and helped explain a certain level of turnover among its members. Yet many of the vendors working in the street *dos Andradas* did not belong to the association. These *ambulantes* regarded Arthur’s request to deal mainly in goods manufactured in Brazil as excessive interference in their economic activity and as an attempt to restrict their freedom of choice. The imposition of restrictions on the individual’s entrepreneurial independence was viewed by these vendors as irksome. It seemed once again that the *lei Obirici*—the principle that everyone should mind their own business—prevailed in the street trade of Porto Alegre. In *rua dos Andradas*, the defense of personal independence seemed also to be fueled by uncertainty concerning continued occupation of public ground. In fact, the majority of the vendors whom I met during my days in the street were doubtful that they would still be

occupying their pitches in a few years' time. They consequently thought it more advantageous to express their "entrepreneurial initiative" in the short term and without restrictions, so as to gain the maximum profit as quickly as possible. In this regard, the deliberative method used for decision making in the association impeded personal initiative, and therefore, according to these *ambulantes*, also opportunities to make higher profits. These factors made the vendors external to the association suspicious of those of its members who sought to take control of its administration and coordination.

3.8 Street Vendors in Other Zones of the City

Despite these difficulties and uncertainties, the *Feriantes rua dos Andradas* Association was the most cohesive and, in many respects, most advanced collective organization for street vendors that I observed in the urban area of Porto Alegre. In the days that followed, I met *ambulantes* who worked principally in zones other than the city center and who had recently created their own associations. However, these organizations had been unable to obtain for their members either material benefits like those guaranteed to the members of the *Feriantes rua dos Andradas* Association or the same visibility and representation.⁵⁰

The vendors, who had set up (only informally) the *Associação Pelo Caminho do Meio* (Pelo Caminho do Meio Association), worked in the *avenidas* (avenues) *Protásio Alves* and *Oswaldo Aranha*, two names for a single long avenue leading out of the city from the *Farroupilha* public gardens.⁵¹ The neighborhoods adjacent to the *avenidas* are working class, and the area around the park, especially during the years of the military dictatorship and in those immediately after,⁵² had been the theater of significant events in the city's political and social evolution. Along the avenue, *bodegas* (small shops), which seemingly belong to an earlier age, take over from the gleaming facades of large stores; the skyscrapers and high-rises of the city center give way to more modest two-storey buildings.

As I walked along the avenues, I encountered a variegated mix of people. There were generally fewer pedestrians than in the streets of the city center, and the majority of them exchanged greetings as they passed each other. Life seemed to flow more slowly on the avenues than in the downtown streets, and there were certainly fewer vendors. I had to walk long stretches of the avenues "free" from street trade before I could find *ambulantes* belonging to the *Associação Pelo Caminho do Meio*. The majority of the *ambulantes* exposed their wares on stalls similar to those in the

camelódromo, and they were concentrated at street intersections and close to the park. All the street vendors whom I met had been working in the zone for at least five years (but a large percentage had occupied the same pitch from more than ten years). In this case, too, many of the *ambulantes* sold goods purchased in Paraguay. Some of them told me that they had municipal street trading licenses, but not documents authorizing them to occupy the part of public ground on which they had positioned their stalls.

Perhaps also because of the considerable distance between one stall and the next, I had few occasions to observe social interactions among the vendors. More frequent instead were interactions between the latter and the owners or sales staff of shops in the street. I noticed, for instance, that when an *ambulante* had to leave his or her pitch for some minutes, it was often an assistant from the nearest shop who kept an eye on the unattended stall. Some vendors had an informal written agreement in which a shop owner gave permission for the vendor to position his stall in front of the premises. This agreement was advantageous to both parties: the vendor made his occupation of a particular space more secure; the shopkeeper could rely on the constant presence outside his premises of a person able to intervene in the case of attempted robberies (which apparently occurred with some frequency in the area). These everyday social micropractices were all the more significant because they demonstrated peaceful co-existence, or even cooperation, between two categories (those of the street vendors and the shopkeepers) diametrically opposed to each other, and often in open conflict in the public arena.⁵³

After a short while among the stalls of the *ambulantes* in this zone of the city I realized that economic relationships merged with close social relationships. Had it not been for the roof made of a light plastic sheet and their open sides, the stalls could have been mistaken for a village store. Everything seemed to move at a slower pace. Transactions took place amid often prolonged conversations where the “shopkeeper” was also a careful listener: he or she was a person who could be trusted, and an acute observer of events and changes in the street and in the district. In the *camelódromo*, gossip gave greater cohesion and exclusiveness to the group of *camelôs*; in the *avenidas*, it seemed to bring the street vendors closer to the district’s inhabitants and shop owners.

Nevertheless, even in this context—where economic relations seemingly merged with more intimate knowledge of others and constant face-to-face liaisons—I observed the behavior driven by a strictly economic rationality that seemingly distinguished the action of the street

vendors in general. For example, in the avenues too, I found that it was the custom to refuse credit, even to regular customers, as I had previously observed in the *camelódromo* and among the *ambulantes* of the street *Voluntários da Pátria*. In this regard, João, an *ambulante* for around 15 years, told me:

If you give credit you're *fudido* (screwed). Having money in your pocket is essential to keep on working. The merchandise we buy, we pay for à *vista* (in cash), and so we need ready money to keep on living. I sometimes lend a bit of money, but only to *companheiros* (mates) who ask me; but after a week I charge interest. I'm no fool, eh! (João, *Associação Pelo Caminho do Meio*; owner of a stall positioned at no. 900, *avenida Protásio Alves*, *Porto Alegre*)

As said, the pace of work was slower in the *avenidas* than in the streets of the city center. But conditions were still difficult: almost all these *ambulantes* worked at the mercy of the elements, and for more than ten hours a day. Frequently, in order not to lose their pitches, and because of the uncertainty of their daily earnings, they were forced to work even when in poor health. Also in the avenue *Protásio Alves* only a few *ambulantes* ran their businesses single-handedly; the others often involved their family members. Or, in some cases, they relied on *funcionários*, but these received lower wages than their counterparts in the *camelódromo*. The involvement of several people made a precise division of labor possible: João, for example, mainly attended to the stall and to sales, while Maria, his wife, traveled to Paraguay every ten days or so, using the tourist bus that left from the city center. In this case, contrary to the prevailing pattern among the *camelôs*, the roles between the man and the woman were reversed: it was the woman who made the grueling and, at times, dangerous journey across the border, while the man looked after the stall:

I've been going to Paraguay for many years. It isn't dangerous if you do things right! For the men, the trip also gives them a chance to let their hair down: they drink and party all evening! I go, I rely on my trusted *laranjas*, and I return on the early morning bus. It's always gone well, but lately the police have been making more checks. But it's the fault of those who import illegal goods! It's their fault that we who buy only *bugiganga* risk being out of work! (Maria, *ambulante*, owner, together with her husband João, of a stall positioned at no. 900, *avenida Protásio Alves*, *Porto Alegre*)

Despite the fatigue and the difficulties that characterized their work, most of the *ambulantes* that I met did not want to quit (or change) their

occupation. Nor did they want to give up their portions of pavement, which—they recounted—brought material benefits, but also furnished symbolic values important for constructing the identity of the street vendor. In this case, too, being in daily contact with passersby on the street was important for the *ambulantes* because it enabled them rapidly to adapt their commercial strategies to changes in demand. Especially those who produced items of clothing or footwear said that the street was their main source of inspiration for new models. And there were other practical advantages which made street trading preferable to the alternatives:

The decision to buy or rent a *lojinha* (small shop) is not easy to make. There are so many things to consider: where the *lojinha* is located; the cost of water, electricity, gas, telephone; the cost of the installments on the lease or the mortgage; what interest is charged on delayed payment; if there are other costs like private security surveillance. We *ambulantes* are good at working in the streets, but this doesn't mean that we're good shopkeepers as well! I've seen many of us to leave the street and then close their *lojinhas* down after a few months . . . (Luis, *ambulante*, owner, with his sister Claudia, of a stall positioned at no. 720, avenida Protásio Alves, Porto Alegre)

Luis was about 50 years old, and he had been an *ambulante* manufacturing and selling women's clothes for around eight years. The formal and informal economy had constantly interwoven in both his current business and his work career. Luis, in fact, had been a blue-collar worker in a firm producing mechanical components for more than 20 years, until it had gone bankrupt 12 years ago. After various unsuccessful attempts to reenter the formal part of the economy ("it seemed that all the factories had either closed or were laying off workers: it was a nightmare!" he said), he had decided to enroll on a vocational training course in tailoring organized by the *Serviço Brasileiro de Apoio às Micro e Pequenas Empresas* (SEBRAE), a Brazilian private sector body furnishing services and support for small and micro entrepreneurship. After setting up a workshop in the *fundo de quintal* (literally, rear of his house), Luis had begun to produce articles of women's clothing.⁵⁴ These were then sold by Claudia, his sister and owner of a stall in the avenue *Protásio Alves*. In the past two years Luis had enlarged his sweatshop and increased production, to which he now devoted almost his entire day (Luis set up his stall in the early hours of the morning and then handed it over to Claudia at around 11 A.M.). He purchased fabrics from wholesalers in Porto Alegre, and also his most recent machinery had been bought from authorized dealers. Lately, Luis had also begun producing for other retailers, and he was thinking about

“formalizing” the productive part of his business so that he could increase his growth potential:

Some shopkeepers are interested in my clothes, but the fact that I’m not regular creates some problems. I don’t know, I’m thinking about regularizing the workshop, but I’m afraid that I won’t be able to pay all the taxes. For now, the work is going well, but I’m afraid that getting bigger could cause me lots of problems. In just a few years I’ve reinvented a job for myself, and there’s no need to hurry. And then I also want to start paying social security contributions again, so that I’ll have a pension when I stop working. It’s not easy, but it’s worth it. . . . My greatest pride is that, even in the difficult years, my daughter didn’t quit school. She’s young and I want her to keep on studying. It is the only way for her to have a different life. (*Luis, ambulante, owner, with his sister Claudia, of a stall positioned at no. 720, avenida Protásio Alves, Porto Alegre*)

For some *ambulantes* in the avenue *Protásio Alves*, the street had become the place for them to express and exercise their entrepreneurial abilities while preserving their freedom. Raul and Ricardo told me that, like Luis, they had begun to work as street vendors for lack of an alternative. They too had lost jobs in the regular economy in the early 1990s. After several years on the street, however, both of them declared that they would not want it any other way. Working as *ambulantes* in the informal economy seemed to have become a deliberate life choice for them. Raul and Ricardo were striving to acquire certain rights as workers, but without leaving informality. This attitude also implied that they had a different conception of what was lawful and what was not. For example, the two *ambulantes* believed that dealing in counterfeit goods, besides being necessary for survival, was also a form of “rebellion” against the excessive commercial power of the great multinationals, which imposed their products—and therefore the lifestyle of the dominant class—upon society:

It’s an alternative kind of consumption, which doesn’t obey the imperialist logic of American capitalism! We’re the small annoying pebbles in the shoes of the great capitalists. (*Raul, Associação Pelo Caminho do Meio; owner of a stall positioned at no. 160, avenida Osvaldo Aranha, Porto Alegre*)

For these street vendors, their lives and work would be improved, not by quitting the streets, but by legitimating their work—primarily by gaining legal assignation of the public space which they had illegally occupied for years. It was for this reason that they had founded the *Pelo Caminho do Meio* Association. Hitherto, however, only on one emergency occasion

had the association successfully represented the collective interests of the *ambulantes* of the avenue *Oswaldo Aranha*. Around eight months before my arrival in Porto Alegre, in fact, these street vendors had decided to take collective action to protest against repeated raids by the city police, which had led to confiscation of an *ambulante's* goods but also harmed the work of all the others. The street vendors of the *avenida Oswaldo Aranha* had therefore decided to unite in defense of their comrade and, indirectly, their work.

The *ambulantes* think about themselves first of all. They only fight if their businesses are in danger. We respect the freedom of everybody, but we want to go further. Many of us on *Protásio Alves* and *Oswaldo Aranha* have worked here from more than 15 years, yet we're still precarious. If for political reasons the city's administration decide to stop street trading, they'll send the police, and they'll prevent us from working: 15 years' work will go up in smoke. We're fighting for the right to work and to occupy this public space. (*Ricardo, Associação Pelo Caminho do Meio; owner of a stall positioned at no. 300, avenida Oswaldo Aranha, Porto Alegre*)

Ricardo acknowledged that it was very difficult to construct a common identity among the street vendors of Porto Alegre. During our conversations, he frequently pointed out the differences between his work and that of the *camelôs* of *Praça XV* and the *caixinhas* ("who invade the city center every day causing mayhem!" he said). The endeavor to make the *Comitê da Economia Informal* operative and representative of all the components of street commerce in Porto Alegre took time away from Ricardo's business and reduced his profits:

Raul is only concerned about the *Comitê*, he wants us only to think about organizing protests. He's always been like that. When he worked for the transport company, he fought against the trade unions, which were on the side of the bosses. But I can't leave my wife on her own. She can't run the stall on her own. Then I have to go and buy the merchandise. I can't neglect the business: if I don't earn for a few days, I can't buy merchandise, the customers go elsewhere, we close down and we don't eat. So much for the revolution! (*Ricardo, Associação Pelo Caminho do Meio; owner of a stall positioned at no. 300, avenida Oswaldo Aranha, Porto Alegre*)

Ricardo was 50, and he had been an *ambulante* for more than 15 years. Between the ages of 16 and 30, he had worked as a car body painter, but he had been forced to quit his job by health problems: the toxic substances present in the paint and the use of unsuitable equipment had given him

chronic asthma.⁵⁵ His long days spent on the pavement in driving rain, bitter cold, and torrid heat were slowly, but inexorably, making his already precarious state of health deteriorate further.

3.9 The *Comitê da Economia Informal* (The Informal Economy Committee)

Pelo Caminho do Meio was not the only association set up to organize defense of the street vendors against the actions of the city administration and the shopkeepers' association (that also waged a media campaign which sought to equate street trading with organized crime). Evaristo Mattos, general secretary of the union of Porto Alegre street vendors (SCAPA), confirmed the tendency of the *ambulantes* to act collectively only in emergencies:

Today the union has difficulties, I won't deny it! But that's how it is with the *ambulantes*. The union was very strong when we had to fight against the project by the *Prefeitura* to move the *camelódromo* out of the city center. But once the danger had passed, everyone began to represent themselves again. There are *camelôs* who are friendly with politicians; then there are the *ambulantes* who set up associations only to oppose repressive action by the municipality. Because this action is not constant, also the associations don't last long. Arthur's association is different, but, in this case too, if the municipality decides to move them from *rua dos Andradas*, I don't know what will happen to the association. (*Evaristo Mattos, general secretary of the SCAPA*)

In an attempt to overcome the numerous difficulties that hindered coordinated and continuous collective action by the *ambulantes*, the promoters of the various associations in Porto Alegre had decided to create the *Comitê da Economia Informal*.

As mentioned earlier, I was fortunate to attend the first meetings of this committee. On those occasions, the street vendors defined some of the general objectives of the newly created coordination body and put forward concrete proposals on how to bring about definitive change in the living and working conditions of the *ambulantes* as a category.

It was decided that the first aim of the *Comitê da Economia Informal* should be to disseminate information on the street vendors, their diversity, the conditions in which they were forced to work in order to survive, and the role that they had assumed in the city's various zones. The promoters of the *Comitê* also decided to draw up a proposal for a municipal law which would define and recognize the profession of street trader

and integrate with the rules on the management, maintenance and use of public ground. For this purpose, Raul, Ricardo, Luis and Arthur had obtained the assistance of a legal firm, which had undertaken to set order on the confused and voluminous body of municipal laws and regulations enacted over the years to regulate street trading in Porto Alegre.⁵⁶ These first aims, Raul said, would have to be supplemented with further ones:

We want to obey the laws when we work, but not the absurd and useless ones which we've got at present. There should be new laws which take account of our needs: the *ambulantes* of today are different from the street peddlers of Porto Alegre in the early 1900s! We want the administration to recognize us as professional workers. And it should also change the laws regulating occupation of public ground. There's little point to proposals to organize our work—I'm thinking of SCAPA's idea of a cooperative—if they don't first give us certainty about our work and the pitches that we occupy. (*Raul, Associação Pelo Caminho do Meio; owner of a stall positioned at no. 160, avenida Oswaldo Aranha, Porto Alegre*)

In general, the aim of the *Comitê da Economia Informal* was to find effective ways to represent all the components in the mosaic characterizing street trade in Porto Alegre. Its intention was to become an actor with which the city administration, pressure groups and other lobbies in the city could negotiate. I had occasion to speak of this and the city administration's most recent policies on street trading with Juliano, head, for the last four years, of the City Department for Trade and Industry (SMIC). Juliano described the current situation of street trading as "ungovernable": overlapping laws that took no account of the actual number of street peddlers, formal and informal exemptions from those laws, and the uncontrolled activity of *ambulantes*, *caixinhas*, and *camelôs*. The confusion, according to Juliano, had been produced by external factors—principally changes in the city's manufacturing system, which had caused large job losses in the formal economy, but also the absence of a policy able to govern the growth of street trading, which had been particularly intense in recent years. The measures taken by the city administration had been targeted for the most part on emergency situations, without considering all dimensions of the problem:

On the one hand, there's the SINDILOJAS. That's a very powerful lobby which applies strong pressure on the administration to upgrade the city center and get rid of the *ambulantes*, *caixinhas*, and *camelôs*. On the other hand there's the economic situation, with constantly high unemployment and factories closing

down. These are the two factors which explain why policies keep on changing: the administration lets street trading continue in order to dampen strong social tensions, and then clamps down on it so as not to lose the votes of the shopkeepers, and to prevent complete anarchy. (*Juliano, head of the Secretaria Municipal da Produção, Indústria e Comércio of Porto Alegre, SMIC*)

The previous head of the SMIC had carried forward a vigorous campaign against piracy and smuggling. Although this had achieved some significant, albeit partial, results, it had had severe social costs manifest in frequent outbreaks of public disorder which the police put down only with great difficulty.⁵⁷

Juliano believed that the recent attempts by the street vendors to associate in order to agree on shared priorities, and to obtain protections that the status of informal worker did not provide, would be futile until the fundamental issue of the occupation of public land had been addressed and resolved.

The majority of the *camelôs* and *ambulantes* today present on the streets of Porto Alegre continue to work there only because a better and feasible alternative has not been found. This is only because the administration has turned a blind eye, pretending not to see or deliberately ignoring what is happening. (*Juliano, head of the SMIC of Porto Alegre*)

According to Juliano, it was necessary to find a covered market area which suited the needs of the street vendors and was patterned on the shopping popular centers already opened in other large Brazilian cities. Unlike the *camelódromo*, this space should be built in masonry, equipped with all necessary services, and able to accommodate a much larger number of stalls. Each street vendor allocated a place would be registered with the municipal department for trade and industry. Only then would it be possible to introduce other measures to change the behavior of the street vendors. A federation could be created within this new structure for three purposes: (1) to represent the category; (2) to perform economic coordination and consultation functions; and (3) to promote regional consortia of street vendor associations able, for instance, to purchase large quantities of goods at lower prices. In this way, an economically competitive alternative to purchasing illegal goods in Paraguay could be created. Moreover, according to Juliano, legal recognition of the space used for street trade could give greater value to the material and immaterial benefits deriving from membership of an association.

Attempts to construct a common identity would thus be more successful in a setting where the individualistic principle of putting one's own interests first (the *Obirici* law) predominated. First resolving the issue of the occupation of public land was therefore essential if the other problems concerning street trading were to be dealt with:

In my opinion, a new system of laws, even if more restrictive and applied with greater rigor, won't have significant results if the subjects to which they are addressed do not recognize them. (*Juliano, head of the SMIC of Porto Alegre*)

The ambitious reform, outlined by Juliano, started from the issue of the occupation of public land. The best method was to find shared solutions with those who would have to put the reform into practice. Otherwise there would be again the risk that corrective measures, rather than sanctioning deviant behavior without further negative consequences, would provoke "rebellion" among those who did not recognize that system of rules, thus annulling their good will or disposition to change.

Today, the correct question to ask is no longer will a Christmas without *camelôs*, *ambulantes*, and *caixinhas* ever be possible? But when can we imagine a Christmas in which *camelôs*, *ambulantes*, and *caixinhas* live and work in better conditions? (*Juliano, head of the SMIC of Porto Alegre*)

3.10 Some Partial Conclusions: Informality and the Market (or the Exchange Form)

More detailed empirical analysis of certain forms of street trade in the urban environment of Porto Alegre has highlighted important aspects for understanding the phenomenon. They concern various areas of analysis: action, regulatory mechanisms, and, in general, the boundaries and interactions between the informal and formal parts of the economy.

Observation of the street vendors' actions reveals individual capacities like ingenuity, industriousness, and the ability to reinvest the profits from economic activity. By filling gaps left by the formal or regular economy, these micro entrepreneurs furnish consumption goods to a growing portion of the population. Their informal economic activities seemingly contribute to the process of physical and human capital accumulation, which is often at the basis of economic development in whatever form (Scott 1998).⁵⁸ The practices observed showed that these social actors possess resources considered important for increasing labor productivity

and creating wealth. Possession of such resources however is “defective,” in that these workers act in accordance with norms contrary to the law (de Soto 1989). Yet the public authority’s endeavor to control and regulate the occupation of public land and street trading doesn’t seem to be more efficient and more effective than the extralegal agreements among the street peddlers. These informally binding agreements are stipulated mainly to protect and mobilize the goods of the *ambulantes*, *caixinhas*, and *camelôs*. In that specific economic and social setting, the behaviors of the various actors who constantly compete with each other for the best portions of pavement and to attract customers are therefore influenced by a set of extralegal norms primarily based on the rules of the market.

In this case—to use Polanyi’s threefold model—the market (or the exchange form), although it isn’t an institution completely independent from the social and cultural context, seems to have been the principal mechanism regulating transactions. Social ties often seem merely instrumental to the performance of economic exchanges (one thinks, for instance, of the micronetworks of social relations observed in the *camelódromo*). However, the prevalence of market mechanisms in the regulation of transactions among the street vendors does not seem to have led to significant improvements in their overall economic and social well-being. Nor does it seem that the allocation of lawful space in which to conduct street trade is sufficient for this purpose. The part of the empirical research conducted in the *camelódromo* showed, for instance, that even in a context where the street vendors can enjoy relatively greater security concerning their occupation of public ground, their work conditions are still difficult and precarious. Most of the *camelôs* and the *funcionários* were forced to live “from hand to mouth” at the mercy of the slightest mishap. Despite the legal permission to occupy public land, even work within the *camelódromo* was marked by a high level of risk, as exemplified by the constant journeys to Paraguay or the decision by some *camelôs* to deal “under the counter” in illegal goods such as counterfeit electronic products or unauthorized medicines. Although the resources comprised in the microsocial networks among small groups of *camelôs* were useful for the economic activities developed within the same networks, they seemed unable to foster a process of broader improvement to the benefit of a larger number of people (consider, for instance, the failed project to cover the *camelódromo* with a canopy). Such resources were used solely to defend the *status quo*, so that they became obstacles against broader forms of organization and cooperation.

Defense of the *status quo* also seemed to be the main concern of the associations representing street vendors working outside the *camelódromo*. An exception to this pattern was the *Feriantes rua dos Andradas* Association, which, by mobilizing resources, had been able to redefine its initial objectives and shift its action to gaining important improvements for its members. The action of this association was not geared exclusively to obtaining authorization to occupy public land—which in any case would only be temporary. It was also intended to gain benefits for the association's members similar to those deriving from employment in the formal or regular economy. Although the members continued to operate in the informality (and were therefore excluded from the public social security system), they were able to enjoy the greater protections afforded by a series of “associative benefits”: for instance, enrolment at reduced rates a private healthcare plan, and permission to work at an important trade fair held every two years in Porto Alegre. The association was also effective in controlling the behavior of its members: despite numerous difficulties, many of them had abandoned (or almost) the sale of goods illegally imported from Paraguay, and they had flanked retail with small-scale manufacturing. However, although the results achieved by the *Feriantes rua dos Andradas* Association were significant in many respects, they were restricted to a small minority of street peddlers. As said, the other associations in Porto Alegre—for instance, the *Pelo Caminho do Meio* Association—did not yet seem able to furnish a broad range of associative benefits to their members, nor were they yet able to establish permanent coordination and cooperative relations with other organizations.

Hence, the creation of the *Comitê da Economia Informal* can facilitate communication among the various forms of street trade in Porto Alegre while also encouraging wider and more continuous cooperation. To use Albert O. Hirschman's (1970) “exit/voice” framework,⁵⁹ the strengthening, and simultaneous enlargement, of the benefits deriving from membership of an association, or to an inter-association network, improves the efficacy of voice and increases its attractiveness in a context where the incentive to act independently (exit option) seemingly predominates.

Some aspects of the practices observed prompt broader considerations concerning the uncertain boundaries of informality and its interweaving with components of the formal economy. Not rarely, the street vendors combine commercial activity with manufacture, and as they switch from one to the other, the goods produced and traded, work relations, and

economic activities themselves assume numerous “gradations” between what is considered completely formal (and legal) and what is considered completely informal (and illegal). If one examines the entire productive chain comprising, besides street commerce, the production of many of these goods in China and their purchase in Ciudad del Este in Paraguay, one realizes that the goods, economic activities and forms of work arranged along the continuum between the formal and informal economies multiply even further (see, for instance, Pinheiro Machado 2008). There thus emerges a more fragmented and complex pattern which highlights how misleading it is to view street trading as a homogeneous phenomenon solely bound up with piracy and organized crime.

CHAPTER 4

Sacoleiras and Sacoleiros (Door-to-Door Saleswomen and Commercial Agents)

What was there on the other side? Undoubtedly something that is different. But different in which sense? What was it like? What did it look like? Perhaps it didn't look like anything I knew and thus it was inconceivable and unthinkable. In fact my greatest wish, what attempted and attracted me most was something per se extremely modest: the pure and simple action of crossing the boundaries.

Ryszard Kapuscinski (2004) *Travels with Herodotus*.

4.1 Introduction

This chapter presents a study on door-to-door sellers that I conducted in Brazil in 2001. Although the research was carried out in an urban context and during a period different from those of the experiences described in the previous chapters, I have decided to report it here for various reasons. First because, also in this case, the object of inquiry was a particular type of informality, which mixes and merges with the official or regular part of the economy. Second, as in Porto Alegre, so in Nova Friburgo and Itapetininga (the two towns where I conducted the fieldwork), I tried to describe the microprocesses, which generate a macro social phenomenon. I sought to highlight both the causality operating at the level of interaction systems and the supra-individual elements of a structural and/or institutional nature that influenced the behavior of social actors.¹ Third, the study investigated the informal economy using the same ethnographic research tools as employed in the previous cases. However, I do not juxtapose these different research experiences because I wish to conduct comparative analysis. I do so for more straightforward reasons. On the one

hand, I want to take the opportunity to deepen knowledge of yet another of those innumerable and multiform elements that make up the economic and social phenomenon that falls under the heading of the informal economy. On the other, I want to clarify the origin of the researcher's propensity to investigate the microprocesses that produce informality, paying particular attention to unusual aspects of human action.²

The idea of studying door-to-door sellers came to me at the end of the 1990s, on the occasion of one of my first journeys to Brazil. My observation of a social reality in which I found myself showed that some economic activities were closely embedded in noneconomic social relationships. I thus came to realize that Karl Polanyi's analytical scheme based on three forms of integration between economy and society (reciprocity, redistribution, and exchange, or market) could be a fruitful theoretical tool with which to grasp and interpret the connections between economic behaviors and social structures in the specific settings observed. In particular, Polanyi's original theory on reciprocity seemed able to furnish useful insights into how certain economic transactions performed essentially for the sake of survival come about, and the importance of the institutions, not only economic, that regulate the relationships among the subjects involved in such exchange (Cella 1997, 32–33). On the other hand, my observation of the empirical reality revealed a copresence of the forms of integration identified by Polanyi in which it was not always possible to establish which of the three forms prevailed over the others. The curiosity aroused by my preliminary observations then turned my attention to investigation of a specific informality example most evident in the economic activity of door-to-door selling.

Nova Friburgo was the urban area in which I began my research. It was not chosen at random. This conurbation, established at the beginning of the nineteenth century by settlers from Switzerland, is located in a mountainous region of the state of Rio de Janeiro, around 130 kilometers from the so-called *cidade maravilhosa* (marvelous city). According to the 2000 Brazilian census, Nova Friburgo had a population of around 174,000. The city's economic development has been based on the agro-food industry and tourism, but above all on textiles because in the past 35 years the city has become an important center for the production of underwear. Nova Friburgo and its neighboring townships comprise factories producing yarns and fabrics. They are also the locations of numerous micro, small and medium-sized firms operating in the lingerie production chain. Over the years, many of these small manufacturers have come to constitute the so-called *arranjo produtivo local do intimo* (lingerie industrial

district) of Nova Friburgo, one of the most successful local production systems in Brazil. In general, in Brazil the local industrial districts—which are patterned on the Italian industrial districts (Becattini 1987, 2000), the archetype of flexible specialization (Piore and Sabel 1984)—have been selected by Brazil's Federal Government as a model of industrial organization on which to base the country's difficult transition from mass production to more flexible forms of production enabling Brazilian industry to compete in international markets.³ For this reason, the lingerie district has been subject to various regional development programmes promoted by local and national organizations (Azevedo and Faria 2006). Over the years, the Nova Friburgo district has grown constantly in terms of both number of firms and number of employees. According to statistics issued by the Brazilian *Ministério do Trabalho e Emprego* (Ministry of Labor), in 2002 there were 493 small and micro firms manufacturing underwear in the city's environs and regularly enrolled on the business register, while it was estimated that informal enterprises numbered some 243 (i.e., one for every two formal enterprises). In 2004, the SEBRAE—as said in the previous chapter, the Brazilian Organization for the Promotion and Support of Micro and Small Enterprise—together with the *Instituto de Economia* of the *Universidade Federal de Rio de Janeiro* (Institute of Economics at the Federal University of Rio de Janeiro), conducted a study that found that the urban territory of Nova Friburgo had recorded the largest growth of informal enterprises between 1999 and 2003. In fact, 214 lingerie firms were set up in that period, and 132 of them (i.e., 62 percent) were informal (SEBRAE 2004). According to the sector's largest business association (*IntimaFriburgo*), in 2006 the Nova Friburgo lingerie industrial district consisted of around 4,000 firms, of which only 600 were regularly enrolled on the business register. The majority (68.5 percent of the total) of them were of small size (one to nine employees). Over the years, the district had created around 20,000 jobs, of which around 8,000 were direct, while around 12,000 were in subcontracted and outsourced activities. Moreover, the district of Nova Friburgo produced 25 percent of Brazilian manufactured underwear. These firms—as reported by the SEBRAE survey—relied mainly on the following commercial channels: 46.8 percent produced items on commission, 18.8 percent used door-to-door sales personnel, while only 12.2 percent had their own outlets. Another survey, carried out in 2004 by Dupont, reported that around 35 percent of underwear sales in Brazil were made by *sacoleiras* and *sacoleiros* (commercial agents).⁴ According to Dupont, in the period 2000–2004, 40 percent of annual output by the lingerie-manufacturing firms of Nova

Friburgo, and its neighboring townships, had been retailed by door-to-door sellers, who often operate in the informal economy. This sales method had expanded greatly. It had changed from being a simple distribution channel complementary to the formal and legal ones into a structural component of the Brazilian underwear market.⁵

4.2 The Underwear Manufacturing District: A First Approach to the Field

I had no particular aim during my first days in Nova Friburgo apart from observing the physical and social space around me. In July 2001 I was making my third visit to the city and, on each occasion, I had perceived its continuous growth, which seemed as rapid and, in some respects, impressive as it was devoid of any form of centralized planning. On walking along the downtown streets, I came across the usual practices of the informal economy. At the bus stops, between the arrival of one public vehicle and the next, private minibuses would draw up and a passenger would shout out the destination (the cost of a ride was R\$1, which was 10 cents less than the fare for public transport). Many of the avenues traversing the park in the city center were occupied by local crafts markets, but also by street vendors who had illegally taken over public land. The sidewalks of the city's main commercial thoroughfare were thronged with *ambulantes* hawking sweets, fruit, vegetables, articles of clothing, toys, and an apparently infinite range of trinkets. But this unlawful appropriation of public land seemed not to worry these informal workers, who once they had "conquered" a portion of pavement tended to occupy it permanently. I became so accustomed to seeing the stalls or plastic sheets on which they displayed their goods that they became integral to my perception of the city's landscape.

In those first days, I met a producer of *pasteis*, that is, sweet and savory tartlets, which the Brazilians eat throughout the day. João had set up an informal sweatshop in the basement of his home, where in the early hours of the morning he produced a sufficient quantity of *pasteis* to supply both his small and regular *pastelaria* (shop of tartlets) in the city center, and customers for whom he worked on commission.⁶ This was a minor but significant example of artisanal activity in which the informal and official economies interwove: João, in fact, purchased his raw materials from authorized retailers. He made his products in unregistered premises and sold them both through an official retail outlet (his shop) and an

informal one (door-to-door sales on commission without receipts). The more examples of informality that I observed in those first days, the more I grew bewildered by the city's economic system, in which the formal circuit of the economy seemed wholly pervaded by informality.

I then decided to concentrate on underwear production. In this regard, the first "cultural intermediary" that I met was Teresa, a young female administrator at Blue Star, a small-to-medium firm manufacturing underwear.⁷ She accompanied me on visits to two industrial areas of Nova Friburgo entirely devoted to underwear retail. The first was a working-class neighborhood, called Olaria, characterized by numerous narrow lanes and a broad thoroughfare. In this street, the majority of businesses were small *lojas* (shops) selling lingerie manufactured by local firms. The *lojas* had little in common with the sleek boutiques that line the shopping streets of any large city in the North or South of the world. These outlets, in fact, were converted garages. None of them had windows, and the articles on sale were invariably heaped haphazardly in large plastic baskets. A crowd of people passed from one *lojas* to another, some to buy items, others simply to browse. This incessant movement produced considerable confusion and the entire street resembled an enormous open-air store selling just one product line. There were customers from Nova Friburgo and its outskirts, but also many from other states of Brazil: in a parking lot a short distance away, in fact, I saw coaches with number plates from the states of São Paulo, Minas Gerais, Goiás, Santa Catarina, and Bahia. During my visit, I also observed numerous *sacoleiros* coming out of the *lojas* with huge plastic bags of merchandise, which they rapidly stuffed in the boots of their cars. These vendors came to Nova Friburgo at regular intervals to stock up on underwear, which they then sold around the country, either directly or, more frequently, via networks of door-to-door sellers:

It's a profitable business, but it's risky too. The *sacoleiros* invest money with no guarantee of future profit . . . As I said, there are many risks: an assault by bandits, an inspection by the agents of the *Receita Federal*,⁸ but even a simple cold or a car breakdown can ruin a *sacoleiro* and his business. But these are generally experienced people who've already coped with a great deal in their lives: the most experienced *sacoleiros* are always able to pick themselves up and start again. (*Teresa, employee in the administrative section of Blue Star, Nova Friburgo*)

I learned from Teresa that the underwear trade had characteristics that further increased the risk of the *sacoleiro* business. The tastes and preferences of customers changed very rapidly. This shortened the commercial life of

many lingerie items and forced the *sacoleiros* to sell their merchandise as rapidly as they could.

Teresa then took me to the other district of Nova Friburgo entirely devoted to the underwear trade. This was *Ponto da Saudade*, located close to the city center and opposite the *rodoviária*—that is, the terminal for coaches connecting Nova Friburgo with the other cities in the state of Rio de Janeiro. *Ponto da Saudade* differed from Olaria in numerous respects. The shops—around 40—were grouped in a single three-storey building of recent construction, and they struck me as elegant and well maintained. The lingerie on display was of decidedly better quality, as well as being more expensive. On observing the large number of single-product shops, I struggled to find an explanation as to why so many people should make long journeys (even of hundreds of kilometers) to buy underwear. Teresa told me that, except for the large cities, underwear shops were not so spread in Brazil, mainly because Brazilian women—and especially those belonging to the poorer classes—still preferred to purchase underwear from “trusted” vendors working from home, rather than from shops.

The situation in Nova Friburgo intrigued me, and my “curiosity” in the manufacture and marketing of underwear increased with each day that passed. But this wealth of stimuli made deciding how to proceed with the research more difficult. On the one hand, there was the reality of manufacture, and therefore Nova Friburgo—a city that I had known only for a few days and warranted closer examination. On the other hand, there was the marketing system, the central concern of my preliminary research design. It was an external circumstance that made up my mind: Januario, the owner of Blue Star, told me that he was about to leave for the firm’s depot in Itapetininga, a small town situated in the interior of the state of São Paulo.

Before examining the everyday routine of the *sacoleiros*, I shall briefly describe this entrepreneur and his firm. Blue Star was established in the early 1990s following a fortunate (and courageous) decision by Januario, who had already worked as a *sacoleiro* in the underwear trade. He and five other *sacoleiros*, his friends from childhood, decided to invest their savings in a small informal sweatshop manufacturing underwear for resale in some areas of Brazil, where they had already set up networks of door-to-door sellers. In nine years, their small workshop had grown into a firm, which, besides its headquarters in Nova Friburgo, owned seven depots in the central and southern states of Brazil. Blue Star produced only a small part of the goods that it marketed. The majority of them were commissioned from informal sweatshops in Nova Friburgo. A tight

network of outsourcing relations with operators in the informal economy had increased Blue Star's adaptability, enabling it to grow in terms of both size and share in a highly competitive market.

4.3 Itapetininga and the Participant Observation

We left on a cold July morning. The group consisted of Januario, Teresa, José, and myself. José was the driver who usually transported loads of underwear to Blue Star's various depots. Our destination was Itapetininga, the town in which Januario had begun his business ventures in the underwear trade: some of his first colleagues and friends still worked in the Itapetininga deposit. My travelling companions told me that the purpose of Teresa's visit was to deal with some administrative and financial problems that had arisen in the management of the depot. I also discovered that I would be staying in a sort of "hostel" in which between 10 and 15 *promotores* lived. Everything still seemed very confused, but I was naturally pleased at the prospect of living with the social group that would be the subject of my study. I did not yet know exactly what the work of a *promotor* involved, but I intuitively associated it with that of a commercial agent supervising a network of door-to-door sellers.

After 950 kilometers covered in nine hours, we reached Itapetininga: an industrial town of around 120,000 inhabitants, situated in the interior of the state of São Paulo, 160 kilometers from the state's capital. The town enjoys a strategic geographical position in that it is connected to the principal cities of the region by motorways, as well as being situated on the railway line linking the south of Brazil with São Paulo, and with the large commercial port of Santos. The town lies on a vast plain swept by cold southerly winds, which make the winters decidedly harsh, especially at night and in the early morning. My first impression of Itapetininga was of composure and order, which were also manifest in the town's outward aspects, such as the relative discipline and quietness of its traffic, or the perfectly geometric layout of farm fields. Given the town's climate and landscape, it certainly did not fit the stereotype of Brazil most widely held in Europe! I admit, however, that my unease increased when we arrived at the "hostel." It was a small villa in an outlying district of Itapetininga: five rooms (including the dining room) converted into dormitories in which 15 people slept, rudimentary sanitary appliances, no central heating, and several windows of which only the frames remained. However, I had little time to inspect my lodgings further; it was late at night and, as Januario told me, my first day's work would begin very soon.

In fact, the alarm clock went off at 6.15 A.M., and, after rapidly getting myself ready, I found myself walking toward the depot together with the other *promotores*. The people in the depot were busy with the final preparations before the sellers' departure, and my presence passed almost unnoticed. After some commercial agents departed, Jean, the head of the depot, hurriedly told me that I would be accompanying Evandro, a senior *promotor* and one of Januario's friends who had helped him set up his business. My first encounter was not at all encouraging. Evandro—who appeared to be no more than 50 years old—was taciturn and seemed to resent my presence. In heavy silence, Armando, his young assistant, hurriedly filled the boot of their car with underwear, and half an hour later we were ready to leave. Once in the car, I tried to explain the purpose of my research to my guide, reassuring him that my presence had nothing to do with Teresa's visit. After listening to my explanation in halting Portuguese, Evandro's expression became more serene, and our stilted conversation became more relaxed.

My aim during this first period of accompaniment was to observe and understand the conversations and actions of Evandro and Armando, trying to shed light on the ties among social actors belonging to a chain whose principal links seemed to be: (1) the firm (the Blue Star), (2) the commercial agents (*promotores*), and (3) the door-to-door saleswomen.

4.4 The Commercial Agents and the Door-to-Door Saleswomen: The First Encounters

Twelve women and three men worked in the depot, where their principal tasks were the packing and warehousing of materials. This was a business controlled by Blue Star, and it was compliant with state regulations on productive and commercial activities. The *promotores* used the boots of their capacious cars to transport and distribute items of underwear with regular delivery notes. But their employment relationship with the firm was unusual to say the least. They were informal self-employed workers (they neither have any legal registrations as self-employed workers, nor they had any employment contract of any kind with Blue Star); but, in practice, they worked in strict subordination to a single employer. At first sight, the door-to-door saleswomen instead performed work that belonged wholly to the informal economy: they had no contractual ties to the commercial agent or the firm, and they engaged in commercial activity without permits, and without paying tax in any form.

As regards the organization of work, each *promotor* was assigned an area in which he built, consolidated, and extended a network of door-to-door

saleswomen to sell the firm's lingerie. The *promotor* visited each seller every month, taking the sales proceeds on behalf of the firm, collecting unsold goods, and consigning new items of underwear. Although these were the basic tasks of the commercial agent, they were subject to numerous variations due to unexpected events intrinsic to their everyday work.

Evandro stopped the car at a house a short distance from the depot, and after a brief exchange of pleasantries with Ana, the woman who greeted us at the front door, I realized that we were at home of Armando's parents. Ana invited us into in a pleasant dining room for coffee. While the young assistant quickly noted down what his mother had been able to sell, Evandro chatted with her. The atmosphere was relaxed and friendly. Ana had not sold many items of lingerie, and the payments received consisted largely of postdated checks. During this first visit, an amusing misunderstanding occurred, of which I was the unwitting protagonist. Ana, in fact, thought that I was a new assistant and Evandro, with a serious expression on his face, confirmed her belief. With some embarrassment, I went along with the joke, speaking as little as possible so as not to reveal my marked foreign accent and scant knowledge of Brazilian-Portuguese.

After collecting the unsold items and consigning the new models,⁹ we said goodbye to Ana and headed for Sarapu , a town around 40 kilometers from Itapetininga. During the journey, the *promotor* explained to me that he had not contradicted Ana because he did not want to spoil the friendly atmosphere in which they were doing business. We then tried to devise a suitable cover story for me. We decided that I would be introduced to the next saleswoman as an Italian interested in learning how a *sacoleiro* worked, so that I could then use in Italy the techniques that I learned.¹⁰ On reaching Sarapu , the next saleswoman welcomed us at an attractive villa, which, as I later discovered, belonged to one of her relatives: the woman preferred to meet the *promotor* at the villa because she thought that it was more elegant and comfortable than her own home—of which, perhaps, she was slightly ashamed. The woman seemed to speak correct Portuguese, without using dialect expressions. Although in this case too, the receipts consisted mainly of postdated checks, it seemed me that the woman's sales volume was rather high. The operations of checking the amount of goods sold, calculating the receipts, and consigning the new models was constantly interrupted by the woman's attempts to bargain on the price of each item of lingerie, or to persuade Evandro to give her some items for free. Once we were back in the car, the *promotor* gave me some important information about the use of postdated checks, which,

he told me, typified the economic transactions made by the door-to-door saleswomen:

It's normal for us *sacoleiros* to receive postdated checks. Many of the customers of my saleswomen are humble folk, who only sometimes have enough *grana* (cash) to buy anything that's not food for the family. Of course, accepting these checks is risky for me, and my saleswomen. But many of them are experts, and they usually sell to only a small number of people well known to them. So the risks are reduced, but they're not eliminated. As we know very well! To give you an idea, at the Itapetininga depot alone, *cheques sem fundos* (dud checks) cut Blue Star's six-monthly profits by more than 10 percent, and that's when things go well! (*Evandro, promotor, Itapetininga*)

Besides my observations, my notebook began to fill up with further questions to ask. However, I had no time to develop my thoughts because we had already arrived at the home of another saleswoman. A glance out of the car window sufficed to show that our surroundings had radically changed. The neighborhood consisted of rows of raw brick houses huddled together. The roads were not asphalted, and the leaden sky heightened the desolation. The eyes of the saleswoman reflected the grey of the sky, and perhaps also the poverty in which she was forced to live. In one month she had managed to sell only three packages of knickers. According to standard commercial agent's practice, Evandro should have left the woman with only the goods unsold from the previous month. But he decided to show faith in her and gave her new items to sell: at which gesture, despite her distressing circumstances, the woman's face lit up with a smile. Our next appointment was with a saleswoman who lived in the same district and had contacted Evandro by telephone. She had once belonged to Evandro's sales network but around four months previously had decided to quit. According to my companion, only a few women were able work as door-to-door sellers with certain continuity, and it seemed that this high turnover was due to factors not strictly connected with the work. In fact, the lives of many door-to-door saleswomen were beset by a severe uncertainty and extreme poverty that imposed frequent changes (of district, city, community, and work) seemingly impossible to predict.

After a journey of about half an hour, we stopped in a middle-class district, which contrasted with the poor and run-down neighborhoods that we had visited so far. Also the saleswoman who lived in this district had "unusual" features: she was of pale complexion, aged between 40 and 50, the mother of a single child, and the wife of a high school teacher.

This family lived in an elegant two-storey villa, at the front door of which a maid greeted us upon our arrival. The “model” of the door-to-door saleswoman, which had formed in my mind, was thus deprived of all explanatory value by the empirical evidence. The woman preferred items of good quality, and consequently of higher price. But there was a further surprise. During the distribution of the items of underwear, I noticed that the woman’s husband helped her to select the goods. In fact, while she sold underwear to friends and acquaintances, the husband sold some items to his female colleagues at the school. According to Evandro, selling underwear was almost a pastime for this housewife, a way “to fill her days, which otherwise would be too boring,” he said.

The next encounter was with a more usual type of saleswoman. We were now in a district, which exuded poverty from its unsurfaced roads, open sewers, and skeletons of unfinished buildings. Barefoot children with smiling faces surrounded our car. We bargained with a very elderly woman dressed in rags. However, her external appearance did not match her lively personality and a will to live that transpired from her every word and gesture. The operations of withdrawing the unsold goods, collecting the monthly receipts, and consigning the new models—activities becoming routine for me as well—were performed on the bonnet of the car. The woman preferred not to invite us into her home, which she considered “too poor to welcome respectable guests.” Our presence was consequently noticed by other inhabitants of the district, among them a woman whom I soon discovered had also previously worked for Evandro. She wanted to start again as a seller, and the *promotor*, after briefly reminding her of the rules, gave her a basic kit of merchandise. Thus, during a routine visit to a saleswoman, Evandro had been able to add another branch to his already wide commercial network. For this reason he could barely conceal his satisfaction when he got back into the car.

During the lunch break I had a chance to visit Itapetininga’s main shopping streets for the first time. As I walked along the crowded pavements, I mentally reviewed my first morning of participant observation: (1) as I already knew, the door-to-door sellers were women. The majority of them were colored and aged between 35 and 55; (2) the *promotor* established an informal relationship with the saleswomen. He interested himself in their families and their personal affairs, and he was frequently friendly with them; (3) for the women that I had met, door-to-door selling seemed to be not only work dictated by necessity, but also a way to spend time chatting with friends and, for some hours, forget lives that, for many of them, were fraught with difficulty and hardship. Meanwhile,

as I strolled along Itapetininga's main shopping street, I spotted just an underwear shop, and it was understocked and shabby.

In the afternoon, our programme resumed with a visit to a *lojinha* (a small grocery shop), whose owner was one of Evandro's sellers. Her daughter told us that the woman was not at home and that we should come back later to talk to her.

The eighth home that we visited belonged to a woman of pale skin, middle age, and, once again, belonging to the middle class. She had sold numerous items of underwear, for receipts amounting to around R\$1,000; the most successful of the door-to-door saleswoman that we had visited so far had not sold goods for more than R\$500. The woman worked as a secretary at the city's evangelical church, and many members of its congregation were her customers.

They are church people, so you can trust them for goodness sake! I don't have problems with accepting postdated checks from these folk. But I always prefer cash, to avoid risks, but you do what the Lord gives you the strength to do!
(*dona Maria, door-to-door seller, Itapetininga*)

We left the house at five in the afternoon. It was growing dark and getting cold. Tiredness was taking its toll (we had been on the road since 7.30 A.M.). Still to be visited were two saleswomen and the owner of the grocery shop that we had visited earlier. We went to the grocery shop first, but the woman was neither at home nor in the shop. This further setback irritated my two companions, who complained about how much energy and time they had to devote every month to tracking down all the saleswomen visited 30 days before. We went to the home of another woman. She was a mother of three children and she worked as a cashier (on a temporary contract) at a clothes shop in the town center. The woman was still at work, so we had to check the items sold with her husband. A first count found that there were considerably more sold and unsold articles than recorded on the previous month's delivery note. This discrepancy forced us to go to the town center to talk directly to the woman. We discovered that an error had been made by the secretary at the Blue Star depot, who had accidentally issued two delivery notes for the same material. This and other complications overlapped at the end of day, when energy and attention were dwindling and tempers were fraying.

We returned to the grocery shop, which we had already fruitlessly visited twice that day. At last the woman was in the shop. She invited us

into her home at the back of the shop and talked to us in a room almost entirely occupied by an electric loom. So that the woman could pay for the educations of her two daughters, in fact, she shuttled among three jobs, all of them informal. I asked why she could not earn enough from the shop to survive. Evandro explained that the shop's business volume had shrunk, and payments were often made after long delays. Almost all of the woman's customers were neighbors, to whom she extended almost unlimited credit.

The last saleswoman was a young student who had sold practically nothing. Moreover, a packet of three pairs of knickers was missing. The *promotor* wasted little time listening to the young woman's fanciful explanations; he politely told her that she could no longer sell Blue Star products.

Our day's work finished at around half past eight in the evening. But because it was Friday, we went directly to the *padaria*—a mixture of cafe, grocery store, bakery, and restaurant—where the *promotores* got together at weekends. The *padaria* was situated around 500 meters from the "hostel," and four other *promotores* of the Blue Star were already waiting for us at a table. As the evening wore on, all the commercial agents arrived in dribs and drabs: some I had met that morning in the depot; others had just finished a week's work in areas distant from Itapetininga; yet others were returning from their holidays. It was a pleasant evening. Everyone present recounted the events of their week. They exchanged opinions and advice, and swapped jokes. This sharing of work experiences, the men's accounts of disagreeable episodes and amusing ones during the week seemed to foster a shared identity. A certain familiarity united most of the *promotores*: many of them, in fact, shared life spaces outside work. Almost all my older workmates had families (some, indeed, had one family back in Nova Friburgo and a new one in Itapetininga), but it was my impression that it was the *promotores* community that united them. Evandro was more loquacious than he had been in the early hours of the morning, probably because he now realized that I had no intention, nor the means, to judge his work from a professional point of view. He told me about when he had started the business with Janeiro, about what he had learned in all these years, and about the difficulties that the *sacoleiros* faced every day. Toward midnight I headed for the "hostel." I decided that the next day I must absolutely find the time to set some sort of order on my already numerous, but confused, ethnographic notes and consequently, I hoped, on my thoughts as well.

4.5 The Hostel and a First Classification of the Door-to-Door Saleswomen

The *promotores* (both those who worked hundreds of kilometers away from Itapetininga and those whose sales area was the town) devoted Saturday and Sunday to consigning proceeds and unsold goods to Blue Star and picking up new items of lingerie. For me, the first weekend served above all to get to know my new workmates and make myself known to them.

I made friends mainly with those who lived at the “hostel.” Caetano, Caio, César, Joaquim, Paulo, and Waldomiro were all young men aged between 18 and 22. They were from Nova Friburgo and, apart from César, who was a *promotor*, they were all assistants of the commercial agents. Their memories of their native city were largely restricted to childhood and early adolescence. This was because for at least five years their professional and social lives had developed in Itapetininga, and they had returned to Nova Friburgo to be with their families only during the Christmas holidays. I also met Artur, Jorge, Mateus, Matias, Rafael, Raul and Zé Carlos, who were also natives of Nova Friburgo, and were aged between 35 and 45 years old. All of them had lived with the other *promotores*, although some of them had moved out of the “hostel” when they had formed families in Itapetininga. The friendship and solidarity that I had perceived the previous evening became more apparent to me during these two days largely devoted to rest. The weekend, in fact, was punctuated by shared moments when the sense of belonging to a community was very evident. A lot of time was spent together at the “hostel,” which symbolized the sense of solidarity that united the *promotores*. In this first weekend, as well as in the following one, small daily gestures began to make me realize that—in the particular social context observed—values, such as friendship and solidarity, could substantially determine the strictly economic relations in which these social actors were involved.

For the first three days of the next week I was again assigned to Evandro. Our work followed exactly the same pattern as previously described, and this regularity enabled me to increase my participation in social interaction. In particular, I could devote more time to conversations with door-to-door saleswomen. As my knowledge grew, I tried to construct a preliminary classification of the saleswomen in Evandro’s sales network. With few exceptions, they were colored women from the lowest social classes. All of them had other jobs, sometimes on regular contracts. Their relations with the *promotor* were always cordial, often friendly, and

they had developed over several years. Moreover, the accounts of the saleswomen revealed that they often did not work for a single commercial agent: many of them sought to develop commercial relationships with several *sacoleiros* so that they could offer a wider range of products. Sales activities were generally concentrated at the weekends, when the women gathered groups of potential customers in their homes, where they could more easily display the goods on sale. The “recruitment” of customers rarely took place door to door, but much more often within the social groups to which the saleswomen already belonged: relatives, friends, the religious community, neighbors, and colleagues.

During my days spent with Evandro, I noted further details concerning the figure and activity of the door-to-door saleswomen. A curious finding, for instance, was that there might be even five or six door-to-door sellers in the same district or even the same street. Yet there seemed to be no competition among these saleswomen: indeed, they did not believe that variations in their sales volumes were due to competition by their neighbors:

This month I haven't been able to sell many items because I've had the flu. . . . I know that Adriana, who lives just up the street, sells underwear too, but this doesn't mean a thing: she and I mix with different people and so we have different customers! I'm very Catholic and many of my customers come to church with me. I've never seen Adriana in church! (*dona Claudinha, door-to-door saleswoman, Sarapuí*)

Although they sold the same kinds of products, Claudinha and Adriana seemed to cater to different segments of demand, which also meant that they offered goods that differed in terms of quality and price. I occasionally asked the saleswomen with poor sales whether they were planning new strategies to improve their businesses by acting on demand or price.¹¹ Somewhat to my surprise, I discovered that none of them would be willing to sell their merchandise to people that they did not know:

I have a group of friends and acquaintances that I've been meeting for years and who I share various things with. We meet one evening a week or on Sunday afternoon. During these meetings there's also time for me to show my items for sale, but that is not to say that all of them buy something. Although I often don't earn very much, I wouldn't want to invite people that I don't know to the meetings. That might spoil the nice atmosphere when we get together. And then I wouldn't like to sell to people that I don't know: they're humble folk, who may pay with postdated checks. So I have to take precautions, even at the

cost of not earning much. I can't afford to accept bouncing checks! (*dona Lea, door-to-door saleswoman, Itapetininga*)

In general, therefore, these saleswomen had a low propensity for risk. In order to perform the economic transactions on which their informal businesses depended, they relied on guarantees essentially furnished by the social circles to which they belonged. These were often small groups of people tied together by stable social interactions and, in some cases, intimate liaisons. They were consequently groups with high social entry and exit costs, which reduced the risks connected with informal economic transactions.

4.6 Another Promotor, Another Town, Other Door-to-Door Saleswomen

During the next few days I flanked Matias, a *promotor* who worked on his own without an assistant. My duties and responsibilities consequently increased. We traveled to Itú, a town with three large factories situated around 200 kilometers from Itapetininga. Because visiting all the door-to-door saleswomen in Itú and its outskirts would take us two or three days, we stayed overnight in the town. Our daily schedules were very similar to those that I had experienced when accompanying Evandro. But Matias asked me to take an active part in checking the items sold, collect the proceeds, and distribute the new products, with the added complication of compiling the new list of articles to be given to the door-to-door saleswomen. After a couple of appointments, however, Matias realized that I did not have the necessary skill to recognize and sort the different models of underwear. He therefore suggested that we exchange tasks: he would deal with the merchandise while I compiled the list. This new division of labor enabled us to overcome the initial awkwardness and, after some further appointments, to accelerate our work rate.

Between one saleswoman and the next, I got to know my new workmate better, and consequently gained further insight into the *promotor's* work. Matias was 38 years old. He had been married for around eight years and had a six-year-old son. He had started working as a *sacoleiro* around 12 years previously and, after some months on his own, he had decided to accept Januario's offer to work exclusively for Blue Star. He judged his present situation to be better than the previous one:

When I worked for myself, life was tougher, the risks were greater. Every two months or so, I had come up with a good deal of money to buy the

new underwear models. When the door-to-door saleswomen can't sell, they immediately tell you that the models are out of date and nobody wants to buy them any more! But to replace the models I always needed a wedge of *grana* (cash) to invest. So I often had to ask a family member or friend for a loan. Competition has grown a hell of a lot in this market! You have to be clever and always ready to offer new products, because the market changes. Tastes change almost every month! The saleswomen can choose among the different *sacoleiros* that knock on their doors, and if your goods don't sell, they immediately switch to someone else. . . . I found Januario's proposal attractive because it protected me against risks. And then, at that time, me and Luciana—my wife—wanted to get married, to have a child—in short, to have a more stable life! I felt that I had more responsibilities on my shoulders, so I decided to work for Januario. (Matias, *Blue Star promotor, Itapetininga*)

The change from informal self-employment to a form of collaboration with a single employer, albeit not legally recognized and socially protected, seemed to have given Matias greater security in his life and work. Moreover, this type of informal protection appeared to have become more important when Matias entered a phase of his life when the family dimension became paramount. In this regard, Matias told me that belonging to the “family” of Blue Star *promotores* in Itapetininga gave each of its members a sense of protection. They knew that if they were in difficulties, they could rely on the help and solidarity of their work companions. However, it seems that the security that derived from belonging to a specific community of *promotores*—and from depending *de facto* on a single employer—only reduced, without eliminating, the difficulties of the *sacoleiros*: workdays that frequently lasted more than ten hours, long periods away from home, the danger of working in districts where violence was frequent, and the lack of any form of social security. For around a year, Matias had been thinking about changing job. He wanted to find regular employment so that he would be eligible for social entitlements (e.g., sickness benefit and a pension) from which he was excluded. Being an informal worker, and the problems connected with that occupational status, were a source of uncertainty and anxiety for Matias—and also, to different extents, for some of the other Blue Star *promotores* with whom I spent time in the days that followed.

During our three days in Itú, we visited poverty-stricken districts of the town characterized by open sewers (when they existed), improvised, and often illegal, hookups to the electricity supply, dusty and unpaved streets, bare houses often with damaged roofs, and exhausted-looking inhabitants. I realized how difficult it must have been for the *sacoleiros* to track

down their saleswomen in such surroundings. The main obstacles were the mobility of the women and also, according to Matias, a high mortality rate largely due to road accidents. In fact, many of the door-to-door saleswomen had to return home from work on foot, generally along unlit streets without sidewalks. They therefore risked being knocked down by cars or the numerous heavy vehicles that constantly plied the narrow roads of the state of São Paulo.

As I accompanied Matias, I also took part in an act of debt collection, one of the activities of the commercial agents that I had not yet had a chance to observe. If a saleswoman missed a payment, the firm (Blue Star, in this case) had to resort to various strategies of pressure and intimidation (also because it could not take legal action). A firm's persuasiveness largely derived from the fact that for many of these women door-to-door sales were their main source of earnings and therefore of survival. At Itú we had to visit a 60-year-old woman who had not paid her proceeds for more than three months. The office at Blue Star had already made several telephone calls to the woman asking her to redeem her debts; otherwise her property would be confiscated. As we drove along the streets of the *favela* (slum) where the saleswoman lived, Matias told me that very frequently this type of appointment "doesn't lead anywhere; instead they often cause problems. So when I have to collect debts, I try to arrive when it's still daylight." But on the day when I participated in debt collection with Matias, we were delayed by a series of fortuitous events, so that we arrived at the woman's house at dusk. I immediately understood why Matias had expressed such caution and concern. We were on an unpaved street indistinguishable from the many others in the labyrinthine *favela*. We decided not to get out of the car. It was being rapidly surrounded by curious adults and numerous children. The saleswoman approached the car window. She told us, in aggressive and threatening tones, that if a lawyer tried to enter her home to confiscate her property, "that lawyer won't leave my house alive!" As we listened, the people around us began to kick and punch the car, shouting threats and insults. Matias, after gesturing at the saleswoman, started the car and drove us away from a situation that was deteriorating rapidly. Our evening concluded largely in silence, while my mind returned to the woman's proud gaze, her fearless eyes, and her words full of strength and determination.

We rarely visited only one district (or township) in the same day. I consequently spent long hours in the car talking to Matias about his relations with the other Blue Star's *promotores* and with his employer, but also about more general topics that helped us get to know each other better. We also

talked about the informal economy, but without linking it specifically to the work of the commercial agents. According to Matias, the Blue Star *promotores* were only partly informal workers. There were aspects—such as the transport of goods accompanied by regular waybills, the use of registered businesses for meals and accommodation—which meant

we're informal workers, but only to a some extent! We can't be lumped together with those poor devils who work like slaves in the countryside, or the camelôs in the streets, or those men whose only way to scrape a living is casual work. (Matias, Blue Star promotor, Itapetininga)

According to Matias, informality was so widespread because of people's poverty and their need to work to survive, which compelled them to accept work conditions of any kind. Matias's main concern was the future and his lack of security. He had tried several times to discuss the matter with his employer. He had suggested intermediate solutions, which, although they would not completely regularize the *promotores*, would at least make them eligible for some of the benefits available to workers on regular employment contracts:

Januario could help us buy private health insurance. That would be a great step forward for us! Today some *promotores* have private health insurance, but only those who earn more and decide not to spend their earnings on other things! If Januario paid part of the insurance, many of us could take up the opportunity. But he doesn't want to do it, he says it's our problem and we should look after ourselves. *(Matias, Blue Star promotor, Itapetininga)*

The days passed quite quickly. My knowledge increased, and so did my understanding of the various everyday activities of the *promotores*. Some differences with respect to my work with Evandro also emerged. For example, the pace of work was more intense with Matias. Moreover, his network of door-to-door saleswomen seemed to differ from Evandro's in several respects. Almost all the saleswomen I had encountered in the days spent with Matias were extremely poor; they lived in *favelas*, and they frequently seemed to have a less confidential relationship with the commercial agent. This last aspect seemed also to have harmful effects on Matias's earnings: in comparison to Evandro, in fact, his cases of nonpayment were more frequent, and his percentage of bad checks was greater. I had met no saleswoman who had sold a relatively large amount of goods. In general, therefore, also in this particular microcosm, trust, friendship,

and familiarity seemed significantly to affect the achievement of good economic results.

4.7 Informality Seen from a Different Standpoint

Between one journey and the next, I always spent some days in Itapetininga, during which I was able to gather direct testimonies on the informal economy from actors not directly involved in the activity of the *sacoleiros*. The testimony of Gloria, for instance, was particularly important, because it enabled me to observe the problem from a slightly different angle and thus increase my understanding further. Gloria was a clever 60-year-old lawyer whom I had met by pure chance during my stay in the small city. She was brilliant, but above all courageous, because for 12 years she had conducted a civil action against a large timber company situated in the state of São Paulo and accused of labor exploitation.

Drawing on my interview with Gloria may be an unusual yet stimulating way to furnish further details on the political, economic, and social reality which I observed, and to understand certain practices in the informal economy.

Gloria told me that, in Brazil, thousands of people appealed every day to the Labor Tribunals to assert their rights as workers.¹² In the majority of cases, however, if Brazilian workers want to protect their rights, they have to wait long time because the Brazil laws permit a lot of appeals and a good lawyer can often delay a judgment indefinitely. The problems that ail the courts often mean for workers period of temporary unemployment: a situation which is not bearable for the most part of workers, because income support measures are very limited in terms of both coverage and amount.¹³ Therefore, workers who take legal action are frequently in a vulnerable position, which obliges them to accept derisory settlements.

Gloria dwelt more specifically on the high rate of informality in the local economy:

In commerce, which is currently the largest sector in the city, it's very common for employers to hire workers off the books. If these people are injured at work, or if they are forced to take leave of absence for health or family reasons, they have no protection. So they risk losing a job, which is often the only source of income for their entire family. In our country, social security payments increase the cost of labor excessively, and this is an incentive for firms to break the law.
(Gloria, lawyer, Itapetininga)

For instance, in Brazil, it is common practice for employers to sign minimum-wage contracts with workers (the monthly minimum wage, as mentioned in previous chapters, is established by law). They then informally agree on a further part of the wage, which is paid off the books. In this way, firms pay the minimum contributions (those corresponding to the minimum wage), thus greatly reducing the inflows to the national social security system.¹⁴ This practice therefore creates a situation in which corresponding to a wage established by individual bargaining—and on which social security contributions are calculated—is a real wage (consisting of a minimum wage plus an undeclared part). In this system, the worker seemingly accepts a trade-off between receiving an immediate (but relatively small) economic return and forgoing greater guarantees in the future.

According to Gloria, one reason for the frequency of this form of evasion was that Brazilian public opinion was largely indifferent to the practice. Brazilians are convinced that the national social security system is an instrument, which serves, not to benefit the community as a whole, but to increase the power and wealth of the political class, which they regard as generally corrupt. Moreover, workers cannot individually regularize their social security positions because, according to the law, this is the employers' responsibility. The latter, in fact, are supposed to enroll their employees on a special register (for more details, see Chapter 2). But it is common practice to record only some employees (commercial businesses, for example, cover their peak periods with temporary workers, who are rarely hired on regular contracts).

In order to counter these forms of illegal work, legislative attempts has been made to introduce flexible arrangements such as part-time and fixed-term contracts, but the results has been rather disappointing.

Unfortunately, also the workers frequently prefer such illegal practices, because they're driven by necessity and crave immediate advantages at the expense of future (perhaps more important) benefits. This is one of the traits, which make up the behavior that we call the *jeito brasileiro*. I mean that particular way of life, which seems to characterize all Brazilians and consists in a unique mix of personal qualities and cultural conditionings, so that an individual always knows how to find a way out of even the most tangled situations. (*Gloria, lawyer, Itapetininga*)

As regards the protection of workers' rights and the Brazilian trade union system, Gloria told me that the latter—created by Getulio Vargas in the 1930s—had been directly inspired by the Labor Charter of the Italian

fascist regime. It was therefore corporative in intent, its aim being to bring the class struggle within the state's aegis and transform the trade unions into public bodies. This system of regulation is still in force, although the Brazilian 1988 Constitution has introduced some important changes. For instance now the state cannot longer intervene in trade union activities, and for this reason it doesn't issue "certificates of recognition" anymore.¹⁵ Nor does it classify the trade unions according to its specific criteria.¹⁶ Nevertheless, the so-called normative power exercised by Labor Tribunals is still strong and trade unions maintain some features derived by the 1930 Labor Code.¹⁷

The battles fought by the unions in the industrial region of São Paulo (called *ABC Paulista* from the initials of the largest industrial municipalities situated in the hinterland of São Paulo) had brought significant advances, most notably the birth of the *novo sindicalismo* (new trade unionism) represented by the *Central Unica dos Trabalhadores*, CUT (Unique Workers' Center). The CUT worked for trade union autonomy, the right to strike, and the right to organize labor locally. Notwithstanding these reforms, according to Gloria, the Brazilian system of labor regulation was still excessively favorable to employers.

Gloria pointed out some other critical elements, which still influence the labor relationships. With regards to collective bargaining, the state still performs a central role in the settlement of disputes. Negotiated solutions are frequently still subordinate to rulings by the labor judiciary. With this system, the Labor Tribunals constitute the main arena in which employment relationships are regulated and disputes are adjudicated. This bias toward the regulation of employment relationships by legislative means was apparent in the everyday life of a quiet medium-size city like Itapetininga. In fact, a banal promotional campaign by the local lawyers could clearly show this bias. The campaign was summarized in three slogans that emphasized the role of lawyers: (1) Before taking any legal action against a worker or an employer, consult a lawyer; (2) you have rights. To enforce them, consult a lawyer; (3) without a lawyer, it is very difficult to know the laws that protect you and get them applied.

Gloria's law firm had already brought numerous lawsuits against the National Social Security Institute on behalf of people wanting to redeem past contributions, or to regularize their positions, so that they could qualify for a minimum pension.

In Brazil, everyone works, but unfortunately the majority work in the informal sector of the economy. Personally, I urge workers to take legal action to defend

their social rights, but often to defend their civil rights as well. But as I told you, there are many obstacles in the way: the lack of job security has had harmful effects at the three levels of the law—individual, collective, and judicial—and this is because employers, who have complete control over workers' means of survival, can adjust labor law to suit their needs. In practice, employers can apply the rules how, where, and when they want. But it's a cultural issue as well. Brazilian workers—especially the lower-skilled ones or those from the poorest regions—have a culture of submission to power, and employers tend to use instruments of oppression and clientelism, which are almost always unlawful. (*Gloria, lawyer, Itapetininga*)

According to Gloria, it was urgently necessary to reform labor law by introducing more modern and effective devices to drive the country's modernization. The core of this change process should have been regular employment: "if people don't work they don't grow as a whole; they don't acquire a social status together with their occupational status," she said.

One of the most controversial aspects of employment regulation in Brazil is the social protection afforded to redundant workers. Since 1967, Brazilian law has obliged the employer to pay 8 percent of the employee's monthly wage into the *Fundo de Garantia do Tempo de Serviço*, FGTS (the Brazilian Unemployment Guarantee Fund). In the case of not-justified dismissal, the worker can withdraw the sum set aside. The employee receives a compensation of 40 percent of the employer's cumulative contribution in the event of dismissal without just cause. This compensation was increased from 10 percent by the 1988 Constitution.¹⁸ According to Gloria, this change has increased employer firing costs, but it has also encouraged the spread of collusive practices between employer and employees.¹⁹

4.7.1 *Informality and Exploitation*

Gloria had observed from close at hand an example of how informal employment can be transformed into exploitation:

Unfortunately, episodes of illegal labor employment are frequent, especially in timber, which is perhaps Brazil's greatest economic resource. Many of the large companies in the timber industry control a series of small and medium-sized "dummy firms," which operate entirely outside the law. (*Gloria, lawyer, Itapetininga*)

During our meeting, Gloria showed me a documentary film on the kinds of exploitation to which many workers in the timber industry

were subject. Although these were informal workers like the door-to-door saleswomen, their work conditions were very much harsher. The documentary had been filmed in a forested area of the state of São Paulo, where entire families worked as impoverished charcoal burners. In this case, the “dummy firm” contracted with the family head the amount of coal that he would produce each month (e.g., 800 sacks). Generally, the agreed-upon quantity was such that the family head on his own was physically unable to produce it. He was thus forced to involve all his family members in the work. None of them had any sort of social protection. In 1986, Gloria and her husband had begun to denounce these episodes of exploitation, first to the governor of the state of São Paulo and then to the Ministry of Labor. The reports multiplied, but the legal battle was long and difficult. The breakthrough had come in the previous year with the first sentence issued against the company behind the “dummy firms.” The lawsuit received considerable media coverage, also at national level, and during the days that Gloria spent with the charcoal-burning families reduced to servitude, a television crew filmed the reportage, which she was proudly showing me.

The living and working conditions of the charcoal burners were dreadful. They lived in huts in the middle of the forest, without running water or electricity. There was insufficient food to feed the whole family; the children were always barefoot and bore clear signs of malnutrition. Doctors subsequently found that many of them were mentally handicapped due to their poor diet. Hence the exploitation involved child labor as well. By the age of six, these children were already working the charcoal pits. Pregnant women worked until the day before they gave birth. Work schedules could be as long as 16 hours a day. The illiteracy rate was very high. The monthly wage received by the heads of household was never sufficient to buy the provisions necessary for the family’s survival, with the consequence that they were forced into debt with the employer. In a short time the worker (and his family) became the employer’s “personal property.”

On watching the television report, it seemed to be documenting slavery in Brazil during the 1700s–1800s (in Brazil, slavery was abolished in 1888). Yet these were events that had happened in 1984, in the most industrially developed state of Brazil and less than 300 kilometers away from one of the largest, most populous and industrialized metropolises in the whole of South America.

Some business groups have immense power, which they use to build clientelistic relations with politicians. Our denunciation openly challenged powerful interests, and this caused us more than a few difficulties. I was put on trial, and I suffered serious physical problems because of the pressure and the stress. Remember that I was the only woman fighting in an arena dominated by men. But despite so many difficulties, I'm convinced that it was worthwhile. It was a battle that had to be fought. Perhaps we've wandered away from the specific topic of your research, but I believe that the story of my experience can also help you, my foreign friend, to gain better understanding of Brazil's complex reality, the enormous differences and contradictions which make this country, for good or ill, unique in the world. (*Gloria, lawyer, Itapetininga*)

As I left Gloria's office, my thoughts were confused and overlapping. Gloria, through her personal experience and her knowledge, showed me clearly how many forms the informal economy could take. Different forms of microentrepreneurial, where individual skills could be exalted, but also forms of extreme exploitation, where the labor relationships were reduced to actual forms of slavery. These different informal economic activities differ strongly and thus seem to need different interventions to regulate them. Anyway, besides my questions about the heterogeneity of the informal economy turnouts, my predominant sensation was that I had met and talked to an extraordinary person.

4.8 The Last Days in Itapetininga

I spent the following 20 days flanking other *promotores*: Artur, Rafael and Raul. All three belonged to the same generation as Evandro and Matias. Although they operated in zones very distant from each other, they used the work method that I have already described. In certain respects, their behavior matched the stereotype of the typical Brazilian as essentially a fatalist who seeks to achieve immediate gain without a longer-term perspective or plan.

I admit that these features do not depict the Brazilians whom I met as particularly attractive. But closer observation of the patterns of social interactions would, I believe, partly change this judgment—or at least make it more composite. What a person from an advanced industrially country, with his or her specific evaluative scale, might regard as conquests of little account, for these commercial agents were instead accomplishments which a few years previously had been unimaginable. In this case, understanding the points of departure becomes important so as not to

give way to the temptation of formulating dogmatic evaluations. I am not trying to sociologically justify the sense of fulfillment that apparently characterized the behavior of someone of my workmates. More simply, I am trying to observe and understand features and situations from a different standpoint, perhaps one closer to that of the *promotores* themselves.

As time passed, also my reconstruction and interpretation of the work of the door-to-door sellers were enriched with further details. For many of these women, selling was their second (if not third or even fourth) job, and for this reason too, they engaged in the activity mainly at the weekends or on national and religious holidays. Some details were recurrent in their stories: for instance, it was significant that the saleswomen who invariably made good monthly profits were all actively involved in their religious communities, and it was within these networks of acquaintance that they did their business. Another striking feature was that none of the women interviewed thought that there was anything wrong with working in the informal economy. In fact, they perceived their work as honest labor that, in many cases, was the main source of regular income for their families.

Informal? What does that mean? That I'm a bandit? I do honest work, I don't do shady deals, and I don't mix with criminals. I'm a woman who works, trying to survive from day to day. (*dona Maria, door-to-door saleswoman, Sarapuí*)

The *promotores* showed themselves well aware of issues such as social rights, work contracts, or regular self-employment when I talked to them. By contrast, the door-to-door saleswomen often knew nothing about such topics, and those few who did so seemed to regard them as hindering more than helping to improve their work conditions.

As said, on nonwork days I was able to immerse myself more deeply in the community of the Blue Star's *promotores* whose lives rotated around the "hostel." In particular, I was able strengthen my friendship with the younger residents. All of them worked as assistants to older commercial agents, apart from César who, despite his young age (he was almost 20 years old), was already a *promotor*. The young members of the group worked on a regular basis, but their monthly profits were rather low. Consequently, it was not rare for one or other of them, generally toward the end of the month, to find himself forced to ask his companions for a loan—at least to buy something to eat. These financial difficulties were also due to the fact that at least every two months, almost all of these

young men sent a proportion of their earnings back to their families in Nova Friburgo. Moreover, some of them had bought rather expensive goods (e.g., a stereo system) on hire purchase, and they were forced to make great sacrifices to keep up with the monthly installments.

Although these young men faced numerous difficulties, harmony nevertheless seemed to prevail in the group, and all of them said that they had great ambitions for the future. The group appeared to grow and consolidate by “feeding” on the strong spirit of solidarity that united its components. Shared humble origins, the same difficulties, distance from the family: these were factors that fostered reciprocal help and the desire to belong to the same large family. It seemed that my young workmates were aware that the status of Blue Star’s *promotor* did not consist of economic circumstances alone. I was also struck by the way in which they coped with the difficulties in their everyday lives. This was a feature that distinguished them quite sharply from the *promotores* belonging to Evandro’s generation. The latter sought gratification and spent large part of their weekly earnings on entertainment, which gave an extreme sense of precariousness to their lives. The former seemingly wanted to improve their life and work conditions, and they also tended to make choices with an eye to the future. I was unable to identify the causes of this generational difference and therefore merely point out that this dualism emerged strikingly from my observations.

The days passed quickly. I grew increasingly integrated into the group and the difficulties (also those of an environmental nature), which had seemed insuperable at the beginning of my fieldwork, had almost completely disappeared.²⁰ In the end, seeking to “live with” the *promotores*—and also discovering and highlighting the affinities between us—proved to be an important strategy to put in practice the ethnographic method of participant observation.

I spent the last week working with César. This *promotor* was around 20 years old, and he was a nephew of Januario (the owner of the Blue Star). He had started working as a *sacoleiro* around three years ago (at first flanking his father, then on his own account). Because César was a relative of the employer, the other commercial agents had initially treated him with great suspicion. With difficulty he had overcome their distrust and, after two years of hard work, he had a sales turnover decidedly superior to those of his colleagues.

We left very early in the morning, at around 6.30 A.M., and were greeted outside the “hostel” by piercing cold. We had loaded the car with the new lingerie models the day before, so we were able to save time by

not having to go to the depot. From the first hours of the morning, our workday looked set to be exhausting. Our destination was Aluminio, a township on the outskirts of Sorocaba (city of around 300,000 inhabitants and 80 kilometers from Itapetininga). The name derived from the presence of a large aluminum mill around which the town had developed. The district that we visited was characterized by long rows of identical two-storey dwellings from which, in the distance, we could see the looming bulk of the aluminum works.

We were greeted cordially by the saleswomen that we visited, and all of them had sold a substantial amount of lingerie. Since the first meetings, I noticed that César differed from the other *promotores* with whom I had worked. He showed greater sensitivity toward the saleswomen, perhaps because he paid closer attention to minor details, and also to aspects not strictly bound up with business. César seemed able to understand the sort of person he was dealing with by only glancing at them, and he accordingly adapted his posture and approach to the conversation.

As I have already mentioned, at the beginning of his work career, César had faced numerous difficulties, among them a general suspicion of him: “It was precisely those difficulties”—he told me—“which made me want to become the best Blue Star *promotor*.” He had built up the largest network of saleswomen, but he received fewer bad checks every month than the other commercial agents working from the Itapetininga depot. Despite his excellent economic results, César did not seem content: he often mentioned his future plans and the fact that, for around a year, he had been paying into a private insurance scheme in order to ensure health coverage if necessary.

After a day of intense work, I reviewed my notes as usual, trying to form a general, though provisional, picture of the saleswomen that we had visited. Many of them lived in slum districts, but despite the poverty surrounding them, almost all of them had managed to achieve good sales, and, even more unusually, a high percentage of payments in cash: it seemed that the more that customers were impoverished, the greater the likelihood that they would pay. César confirmed my impression:

It seems odd, but the people who give me most security are those who live in the humblest houses, often the poorest people. I give these women work that may be the only way they can survive, or not be too dependent on their husbands. For them, losing this job could mean getting into difficulties, being unable to afford things like eating once a day. Do you understand the great value of this work for these women? (*César, promotor, Itapetininga*)

However, having an extensive, and also reliable, network of saleswomen required careful and constant selection. Also in this regard, César seemed more skilful than his colleagues, as well as being more determined to improve his business results.

During the week that we spent together, we worked in a zone that César had seen for the first time only a month before. São Roque was a quiet little provincial town, one of the many scattered across the vast territory of the state of São Paulo. There were several factors that made it very difficult for us to find our way around the town: first César has visited the zone only once; then we did not have a map of the area; the names of the streets were almost never indicated; and São Roque seemed almost exactly the same as all the other medium-sized towns in the region. We sometimes drove along the same road five or six times without finding the house where, the previous month, César had delivered a kit of underwear to a woman wanting to sell Blue Star products. We frequently had to stop and get directions from passersby while also asking where a *dona* Maria lived—although we knew full well that the majority of door-to-door saleswomen was called Maria! Despite various setbacks, by the end of the day we had managed to meet all the saleswomen contacted the previous month. In this case too, the overall sales volume was satisfactory, and the good results suggested that São Roque might soon become an interesting market for César and the Blue Star. Although César was satisfied with the results in São Roque, he said that it was not possible to develop door-to-door sales in all towns, nor even in every district:

There are zones that have been completely abandoned by the *promotores* and the *sacoleiros*, like the outskirts of Campinas, for instance. There you're likely to be attacked; the bandits know that a *sacoleiros* may be carrying a good deal of money, and so we become tasty prey for criminals. There are zones where it's impossible to work unless you reach agreement with the criminal gangs. (*César, promotor, Itapetininga*)

The day after São Roque, we visited a small town where César wanted to set up a new network of door-to-door saleswomen. Looking for potential saleswomen in a new zone proved to be an interesting experience, but one difficult to generalize because the recruitment method adopted seemed to be largely determined by the characteristics of the setting. We first headed for the poorer suburbs, where we asked people we met along the way if they knew someone who might be interested in (or had already started) door-to-door selling. Once we had obtained information

about a potential saleswoman, we went to her home, hoping that she would be there.²¹ Having ascertained the woman's interest, we explained what her percentage of the profits would be, and how the goods would be delivered and collected. The women often appeared confused by our explanations, but their need to work seemingly persuaded them to accept our offer without too many calculations. Due to a good dose of luck, we ended the day with ten or so saleswomen for the new network, and with numerous questions: have we chosen capable sellers? Will we be able to find their houses again? These questions would only be answered in one month's time.

My week as César's assistant continued amid a great deal of work and long hours spent talking and travelling. Also César, like the other *promotores* that I had met, stressed that competition had recently increased, creating more than a few adaptation problems for the Blue Star. My workmate mainly complained about a lack of suitable investments to relaunch the firm on the market. Despite these recent problems, and although César had enough financial resources and an adequate network of saleswomen to set up on his own account, he refused to consider a future without the Blue Star, as if nonlegal and noneconomic ties, though uncertain, bound him to that particular community.

Because I was by now an assistant to all effects, also for me the week of *folga* (break) was approaching. The work calendar of the Blue Star *promotores* consisted of four weeks of work—each of them usually in a different zone—followed by a week of rest. The approach of the break week also meant that my participant observation was about to conclude.²² From a methodological point of view, my departure was perhaps a good thing. I had noticed that my powers of observation were beginning to wane. This was probably a sign that my integration had crossed a threshold above which the participative component outweighed the observative one. I spent my last days in Itapetininga at the depot, partly packaging the new materials, which arrived every month from Nova Friburgo, and partly organizing my ethnographic notes and my thoughts. I was already beginning to feel the *saudade*²³ that would accompany me after I bade farewell to the “family” of the Blue Star *promotores*.

4.9 The Return to Nova Friburgo

Initially, my research project was to be almost entirely centered on the dynamics of door-to-door selling. But once I had entered the field, I learned to adapt my initial research design to take account of aspects

difficult to predict in the first part of the project. I was ready to face the possible risks and errors, which might arise in a reality so rich with matters to analyze, so I adjusted the initial research project to the empirical reality that I encountered. Nevertheless, I sought to follow a precise line of inquiry. Therefore, during this sort of work in progress, after my arrival in Nova Friburgo, I had redefined the phases of the research, allocating time (albeit less than that devoted to participant observation in Itapetininga) to closer examination of some aspects of underwear production—the “first link in the chain,” so to speak.

The more my experience, and consequently my knowledge, increased, the more I realized that this link too contributed to defining the particular formal/informal relationships that characterized the production and retail of underwear in Brazil. From the descriptions provided by Januario, the owner of Blue Star, and various commercial agents, I realized that there were sweatshops which produced items of underwear ready to be sold, others specialized in the production of individual parts of items, and yet others which assembled those parts. The small and medium-sized firms enrolled on the business register (like the Blue Star) had numerous sub-suppliers, and once the products had been manufactured and labeled, they were distributed through an extensive network of commercial agents and door-to-door saleswomen.

After my return to Nova Friburgo, I decided to start from the Olaria district to deepen my knowledge of the production side. I understood that the experience of participant observer had at least partly changed my “mode of observing.” My attention immediately focused on the *sacoleiros*, on their behavior, gestures, purchases, cars, faces, and interactions. Some were evasive and apparently always in a hurry; others seemed more willing to stop and talk. Evident from what they told me was the importance of the independence of their work, even when the costs and risks of maintaining it were decidedly high. They saw their work as sufficiently remunerative but also as difficult: every month, they had to invest most of their earnings to stay in the market, and the return on that investment might vary even significantly. In fact, there were many imponderable factors not directly dependent on the actions of the *sacoleiros*: a minor accident or a mechanical problem with a car was enough to jeopardize the work of an entire month. The life and working conditions of the majority of the *sacoleiros* with whom I talked seemed, in general, to be rather difficult: they traveled thousands of kilometers every week; they slept where they could; in many districts they risked being assaulted by criminals; and they had constantly to cope with competitors who, they said, were

becoming increasingly numerous and aggressive. As they talked, my mind returned to certain episodes that I had witnessed in Itapetininga. I at the moment knew what certain words meant for these workers, I knew more about their interpretation. And as I listened, I could not fail to notice the fatigue etched deeply in their faces.

As I visited the underwear shops that dominate trade in the Olaria district, I tried to make the acquaintance of owners of the *lojas*. I wanted to ask them if I could visit the *fundos de quintal* (sweatshops), generally to be found at the rear of private dwellings (as already said, the term *fundo de quintal* literally means backyard). I entered various shops, explained the reason for my visit, and asked if it was possible to fix an appointment so that I could visit the sweatshops from which that shop or wholesaler obtained its supplies of lingerie. However, my quest for knowledge came up against an unexpected obstacle—or better, an aspect hitherto unknown to me—the unwillingness of my interlocutors to cooperate. In fact, the majority of them mistook me for an employee of the Brazilian tax authorities, or at any rate a snoop. All the shopkeepers hastened to explain that they were completely in compliance with the law, as regards both the shop and the origin of the articles displayed. However, whenever I asked to visit one of their suppliers, I was fobbed off with excuses. Many of them would not even agree to be photographed, nor would they allow me to photograph their shops. I managed to break through this “wall of suspicion” only with one young saleswoman, who had just opened a small underwear shop in a side street off the main shopping thoroughfare. With an expression that mixed annoyance and surprise, she told me that she had all the documents necessary to open a business, and that the workshops from which she obtained her supplies were wholly informal. She also told me that there were many informal producers in the most populous districts of Nova Friburgo and that they frequently came to the underwear *lojas* to present their sample books of models. The young saleswoman then informed me that she was going to visit her supplier the next day and that I could accompany her if I wished.

As during my first days in Nova Friburgo, on walking around the city I noticed how informal activities almost symmetrically matched those pertaining to the official circuit of the economy. These different actors appeared to live peacefully together, almost as if some sort of arrangement had been reached between the two commercial circuits. Informality might mean difficult conditions of work and life, but it sometimes concealed life stories in many respects astonishing. For example, I learned from my reading of the national newspapers that a well known entrepreneur—the

owner of the second most important television channel in Brazil—had started his ascent to business success from the informal economy. He had been a *camelô* for many years and had built his commercial empire on the sale of tickets for *baús de felicidade*, a sort of lottery designed for the poorest sections of the population. At the beginning of his entrepreneurial venture, the prizes for the lottery ranged from simple, but crucial, forms of material help (coupons for the purchase of food and clothing) to luxury goods that represented the dream of life-changing fortune. The uncommon story of this successful entrepreneur seemed anyway to be a further example of how the informal economy, with its extreme heterogeneity, is part of the everyday routine of Brazilian society.

The following day another of my requests to visit a *fundo de quintal* was rejected. The young female shopkeeper whom I had met the previous day told me that her suppliers preferred not to let outsiders visit their workshop. From this I deduced that the direct approach was unlikely to lead to the results that I wanted. I therefore decided to change strategy and look for an intermediary trusted by the owners (or the managers) of the sweatshops. Once again, Januario, the owner of the Blue Star, came to my aid and made it possible for me to visit some *fundos de quintal* and thus to continue the research.

As we drove along the busy roads of Nova Friburgo, Januario told me that the Olaria district had a high concentration not only of underwear shops but also of workshops, some of them compliant with Brazilian law, others illegal. But the real “kingdom of the *fundos de quintal*”—as Januario called it—was Conselheiro, a suburb extended across an entire side of the mountain above the town, and in which poor people largely inhabited. Before we headed for Conselheiro, Januario took me to visit two Blue Star’s workshops. These consisted of fairly modern sheds, in each of which around twenty people worked. The interiors were well lit and fitted with all the safety equipment required by Brazilian law. The women working at the sewing machines wore antinoise earmuffs, work uniforms, protective glasses, and safety gloves. Moreover, every worker had a regular work contract, the firm was enrolled on the business register, and it paid taxes and social contributions. “At Conselheiro, though, we certainly won’t see places like this!” Januario shouted as we left one of the sheds.

Conselheiro was a dense huddle of shacks clinging to the mountain-side. The roads were asphalted or cobbled, and some of them were so steep that venturing onto them in a small car or a heavily loaded vehicle was dangerous. We climbed a narrow flight of steps, which brought us

to three *fundos de quintal*, one next to the other. From the exterior they looked like ordinary houses, but upon entering we found cramped and poorly lit rooms in which 10–15 people worked amid the noise of the machinery. The workers were aged between 16 and 35, and the majority of them were colored. In each workshop that we visited, the supervisor, to whom I could put questions, greeted us. It was instead more difficult to talk to the workers or to take some photographs (see photos 4.1, 4.2, 4.3).



Photo 4.1 Sweatshop in the Olaria district



Photo 4.2 Sweatshop in the Conselheiro district



Photo 4.3 Informal workers in a sweatshop in the Conselheiro district

Januario remarked that working conditions in the *fundos de quintal* varied greatly according to the management, the district, the type of building in which the informal workshops had been installed, its main customers, and the turnover. In the three sweatshops I visited, for instance, the work schedule was eight hours a day except Sundays; the monthly wage was slightly above the minimum level established by law; there were no protections for the workers; and the employment relationship was based on informal unwritten agreements. These were difficult conditions, of course, but according to my informants, they were by no means the worst ones to be found in the *fundos de quintal* of Nova Friburgo.

Januario explained to me that the owner of a sweatshop would consider regularizing his business only if two conditions were in place: (1) a number of customers able to ensure a constant flow of orders and significant profits, and (2) more than 25–30 employees. My strong impression as I walked among the suburb's alleys was that the rear, the basement, or the attic of every dwelling could conceal a small informal workshop:

There's a load of people who work in the underwear market: those who produce, those who sell, those who act as middlemen. There are really so many of us. Then, in the past five years, the number of sweatshops has multiplied. There's never a shortage of labor. If a factory closes in Nova Friburgo, people go to work in a *fundo de quintal*, at least for a short while. Sometimes the politicians apply pressure, and they send the tax inspectors to Olaria or Conselheiro.

Maybe some sweatshops close, but the next day new ones open. But in general the police are fairly tolerant: also because the *fundos de quintal* employ so many people. Without the *fundos* what would all these people do? Beg on the streets? (Januario, entrepreneur, Nova Friburgo)

On conversing with several owners of sweatshops, I learned new aspects of the organization of work and the structure of the underwear production chain. Generally, an average-sized sweatshop manufactured no more than three or four models a month. It was sometimes the owners of the largest firms that made specific orders from the *fundos de quintal*: Januario, for example, commissioned different models from different informal workshops. He sometimes procured for his sub-suppliers the materials from which he wanted them to make his articles. There were many sweatshops, and the lack of information and guarantees could greatly increase the amount of resources employed by those who had to choose among all possible suppliers. Januario had reduced the transaction costs by using the same group of suppliers, and also by “listening to rumors.” When he decided to take on a new supplier, he made a first trial order, which would be of a modest amount in order to minimize any loss. All employment and business relationships were in fact based solely on reciprocal trust. But also the particular structure of this market, characterized by a myriad of micro enterprises competing with each other, seemed to reduce opportunistic behavior.

In the following days, I accompanied Januario to further sweatshops, both in Conselheiro and Olaria. When conversing with owners of *fundos de quintal*, I noted their indecision concerning development of their businesses: some of them, in fact, had by now achieved substantial turnover by working on behalf of other firms. At the same time, however, their informality prevented them from growing further, as they would run higher risks due to their greater visibility. Frequently, the planning of business strategies to increase production significantly in the medium period clashed with the propensity to act according to a logic exclusively centered on the attainment of immediate results—a logic which seemed important in understanding the behavior of large part of these small informal entrepreneurs.

4.10 Some Partial Conclusions: Informality and the Reciprocity

The foregoing account has shown that the formal and informal parts of the economy interwove: it is therefore incorrect to talk of a dualism between the formal or regular economy and informality. Although the

concept of a “bipolar economy” (Santos 1975) helps understanding of certain dynamics characterizing the relationships between the two parts of economy, it fails to fully encompass the significance of certain kinds of informality, which have often developed in sectors and urban settings involved in the growth of the new global economy. Consequently, in many respects, the informal activities undertaken by the workers observed in Itapetininga and Nova Friburgo seem to reflect the “irregularization” which, according to Saskia Sassen (2007), is generating a new geography of centers and margins in the urban realities of the North and South of the world.

The field research also highlighted how, in this specific case of informality, transactions among the social actors are in many cases governed by regulatory mechanisms different from the market. Again Polanyi’s model of the three forms of integration between economy and society may help in understanding the situation observed. In this case, in fact, reciprocity seems to prevail in the “community” of the Blue Star’s *promotores*, where friendship, trust, and loyalty replace formal guarantees, and help construct a particular social order in which also economic transactions are regulated. These strictly social values have profound roots: the same humble origins, the same difficulties, distance from the family, the close friendship, and gratitude that every *promotor* feels for the entrepreneur. These mean that, within this group, reciprocal aid, solidarity, the sense of belonging to a single extended “family”—as physically symbolized by the “hostel”—are values also of importance in regulating economic relationships.

Values such as friendship and reciprocal trust also characterize—though perhaps to a different extent—the economic relations between the *sacoleiros* and the door-to-door saleswomen. Each commercial agent, in order to reduce the risks attendant on his business, seeks to build a network of reliable saleswomen with a view to consolidating it over time (exemplary in this regard was the episode when Evandro showed great satisfaction at having reactivated the commercial relationship with one of his former saleswomen). The friendships between *promotores* and a rather small group of saleswomen are not conducive to good economic results alone. For the door-to-door saleswomen, their commercial agent is not just an “economic lifeline”; he is also a confidant, and a person to whom to turn for advice, comfort or, in general, support at times of particular difficulty.

Also the success of the transactions performed by the door-to-door saleswomen depends to a large extent on the presence of particular social institutions influencing the behavior of social actors and making them

more predictable. Indeed, the saleswomen tend to deal only with a narrow circle of acquaintances. They frequently avoid forming larger pools of potential customers, although this reduces their chances of higher profits. Economic ends overlap with social ones. For most of the women that I met during my field research, door-to-door selling is an effective means to achieve greater social emancipation and integration into a particular community. Many of them prefer to sell lingerie during home meetings. These gatherings give greater regularity to the saleswomen's economic activity, but they are also occasions to exchange information, share experiences, and obtain support from other women faced with the same difficulties in their lives.

The behavior of the commercial agent and the saleswomen is therefore difficult to understand, considering only the economic interests of social actors, and believing that economic transactions occur and develop in a sphere distinct from the social environment. The decision of some saleswomen to sell only and exclusively within narrow and cohesive social groups (e.g., a religious community) and the decision by some *promotores*—who choose not to set up on their own, and consequently to not improve their economic circumstances—may be due to a low propensity for risk. Nonetheless I perceive that these decisions may be also due to a desire to fulfill mutual obligations, which define their membership of a particular social group. In the case of the Blue Star's *promotores*—who perhaps have a wider range of options than the saleswomen—their actions are not exclusively geared to the maximization of individual profit. Solidarity, friendship, and other intangible social factors within their “community” not only enable the formation and reproduction of informal work relationships; they assume a value that orients the choices (also economic) of the group's members.

My field research focused mainly on the observation and analysis of the commercial activities of the *promotores* and the door-to-door saleswomen. It gave secondary importance to the manufacture of underwear. However, the empirical evidence collected shows that also this type of informality relies on nonlegal regulatory mechanisms, which enable informal economic transactions to take place and decisively reduce their inherent uncertainty. In this case, however, the market seems to predominate over the other forms of integration. This prevalence has also been favored by factors specific to the economic and social environment in which the informal economic activities of underwear manufacture take place. This production branch consists of numerous small sub-suppliers that act individually, so that attempts to concentrate supply are unsuccessful. As a

consequence, the purchasing firms of medium-to-large size frequently do not have counterparts with adequate economic power to negotiate all the conditions of the economic transactions. Moreover, the sweatshops very often seek to increase their competitiveness by further reducing their labor costs. They know that they can count on a constantly increasing labor supply because of the business restructuring that has recently affected almost all sectors of the local production systems. In this case, therefore, informality offers opportunities for employment to redundant workers, but only on certain conditions: wages only just above the legal minimum; no social protection; exhausting workloads; and unsafe working conditions.

This page intentionally left blank

CHAPTER 5

Informality, Regulation, and Development

5.1 Introduction

The foregoing chapters have conducted an inquiry that began with a review of some of the most significant theoretical and empirical approaches to the informal economy in the countries of the South of the world (Latin America in particular) and continued with the description and interpretation of schemes of action of social actors observed in particular situations of informality.

The content of this book has evidenced that if the notion of informal economy is to be applied to diverse cultural, social, political, and economic settings, in the North as in the South of the world, it must be defined in very generic terms. In the past 40 years, such generalization has in certain cases gone even further, and led to dissolution of the concept of the informal economy itself. Nevertheless, despite these difficulties, the use of the notion of informality is still topical. To date, in fact, no alternative concept has been found that can, more efficaciously and thoroughly, represent the extremely heterogeneous set of economic activities and types of work that come under the heading of informality. As emphasized by various authors (e.g., Chen 2006, Lipton 1984), this resistance is a valid indicator of the usefulness of the notion, although its ambiguity still persists.

Over the years, the debate has mainly centered on the structure of the informal economy, and on its functions, in almost constant comparison with the formal part of the economy. As highlighted in the first chapter, different positions have been taken up in this debate, but none of them have prevailed over the others. The complexity and the heterogeneity distinctive of the phenomenon have induced, especially in recent years, many

scholars and experts to rely on “default definitions,” which primarily indicate what informality is not, rather than what it is.¹ These definitions have frequently served to establish a basic distinction, which has then been used as the framework for more detailed analyses of the topic in question. On one hand, it can be said that increased awareness of the complexity inherent to the informal economy (and its relations with the formal part) has fostered a more prudent stance in attempts at abstraction, with closer attention being paid to the composite nature of informality. Caution, however, has not been the only attitude adopted by the most recent studies on informality. On the other hand, in fact, in certain cases there has predominated a desire to override the difficulties by developing a prescriptive approach, holding that it is not essential to understand how informality is structured in detail. What matters instead is deciding how it should be. The principal concern has been to define instruments and interventions able to transform the informal economy so that it acquires the features desired of it.

Evidently, the research reported in this book was inspired by the first of the two approaches just outlined. I decided to use ethnographic research tools so that I could observe at close hand various forms assumed by the informal economy in actual practice. My choice was prompted by the belief that detailed descriptions can favor the use of a broader array of interpretative tools. The decision of delving into the details, leaving the search for concise depictions of informality in the background, was therefore important for both understanding the mechanisms that constitute action and construing the interpretations that social actors give to their everyday behaviors.²

The ambition of this last part of the book is not therefore to furnish a sharply defined, and generally valid, notion of the informal economy. More simply, I shall discuss some of the features that emerged from the fieldwork realized in Itapetininga, Nova Friburgo, and Porto Alegre. I shall seek to furnish an interpretation of what was described, and of the effects of the actions and interactions observed. However, focusing on certain empirically determined features, and seeking to interpret them, does not signify relying solely on the virtues of concreteness and good sense, even if they are sociologically sound. Also in this last chapter, indeed, I shall consider what has been discovered to date, resuming the attempts at conceptualization made hitherto, and the dilemmas connected with them.

As regards interpretation of the phenomenon, the partial conclusions to chapters 2, 3, and 4 have already clearly indicated the decision that I made, namely, to interpret what I observed mainly on the basis of

Karl Polanyi's model of the three forms of integration between economy and society (Polanyi 1957c, 1977). This choice was prompted largely by the fact that Polanyi's model expressly requires resuming a notion of the economy shorn of the formal features that economics has attributed to it. The attention therefore focuses on the substantive meaning of the economy, understood as a system that furnishes the material means necessary to ensure human subsistence.³ Because this model is based on a reasoned rejection of the "naturalness" of the market, it has proved particularly suited to dealing with phenomena deemed irrelevant or treated with a certain difficulty by economic theory (Cella 1997), and the informal economy seems fully to belong to this group. As already shown in the first chapter, the attempts to explain it by economic theory have frequently proved unsatisfactory. Nor should it be forgotten that, especially in the less industrially advanced countries, economics has often considered informality as akin to a "nebula," with largely unknown content and boundaries, and in any case of little importance for the purposes of economic development, given the forecasts that it is bound to disappear. Another reason for my choice of Polanyi's model is that it treats economic transactions as processes. This induced me more thoroughly to investigate the creation and reproduction of the mechanisms at the basis of the economic transactions that take place in the informal economy. This attention to processes also enabled me to "circumvent" some of the main shortcomings of the model. As Gian Primo Cella (1997) has shown, these shortcomings concern dynamic aspects especially, that is, the modes and reasons for change from one type of integration to another. Accordingly, detailed observation of examples of informality made it possible to identify some of the factors contributing to transition from one form of integration to another, or to the situations in which one or more forms were simultaneously present. Polanyi's model therefore seemed particularly useful for allocating substantive phenomena among categories that, if not used as oversimplified representations of the reality under observation, can improve its interpretation, furnishing a clear and simple basis for analysis of the informal economy.

As for many of the themes treated by the social sciences, so for the informal economy, knowledge seems to grow in not-cumulative manner: in many cases, "analysis, rather than following a rising curve of cumulative findings, breaks up into disconnected yet coherent sequence of bolder and bolder sorties" (Geertz 1973, 25). In the case of informality, one gains the impression that the most recent research builds on previous studies, which have already investigated various of its aspects. This does not mean that

the recent studies have taken over where the previous ones left off. Rather, with a body of information to draw on, they have furnished alternative interpretations of the same phenomenon. In this sense, the approaches mentioned in the first chapter of this book maintain part of their explanatory worthiness. This value emerges rather clearly from the renewed interest in the informal economy to which latest publications testify (e.g., Bacchetta, Ekkehard and Bustamante 2009; Guha-Khasnabis, Kanbur and Ostrom 2006; Perry et al. 2007; Sassen 2007). In many cases, in fact, recent studies on informality have proposed an alternative and original use of interpretative tools devised by previous studies. Rethinking the informal economy doesn't mean canceling everything that has been discovered so far, and doesn't mean researching only what has not yet been discovered. Rather, it means using the different approaches to the informal economy developed hitherto in a way that is as original and integrated as possible. Interpretation and understanding of so heterogeneous a phenomenon as the informal economy seem thus to require a multidisciplinary approach able to combine different interpretative tools.

5.2 The Linkages between Informality and the Formal Economy

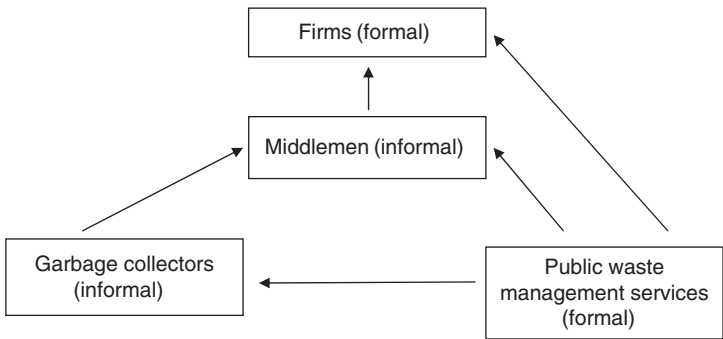
The garbage collectors and the street vendors of Porto Alegre, the commercial agents and the door-to-door sellers of Itapetininga, the men and the women employed in the sweatshops of Nova Friburgo—these were the protagonists of the previous chapters. All of them, though living in different contexts and acting in different ways, survived in the informal economy. Few of them were able to earn a level of income above the subsistence threshold. For some, informal work had enabled them to develop their abilities; for others, it has instead turned into a trap from which they find it very difficult to escape.

The empirical studies conducted in Itapetininga, Nova Friburgo, and Porto Alegre evidenced the wide diversity of economic activities and working conditions that may be present in the informal economy. At the same time, they showed the existence of different types of linkages between informality and the formal part of the economy.

Figure 5.1 schematizes both those linkages and the main actors identified by the empirical analysis.⁴ Specifically, figure 5.1a summarizes the principal actors involved in the collection, separation, disposal, and recycling of solid urban waste in Porto Alegre.⁵ The chain consists of the following:

- Those who work exclusively in informality, that is, the garbage collectors, as both own-account workers and members of associations and cooperatives.
- Those who work exclusively in the regular economy, that is, employees of the municipal waste collection service.
- Those who operate in both parts of the economy, that is, the middlemen, the majority of whom tended toward the informal extreme of the formal/informal continuum; the small, medium-sized, or large firms that instead often lay in the formal economy.

a) Solid urban waste management chain (Porto Alegre).



b) Street trade chain (Porto Alegre).

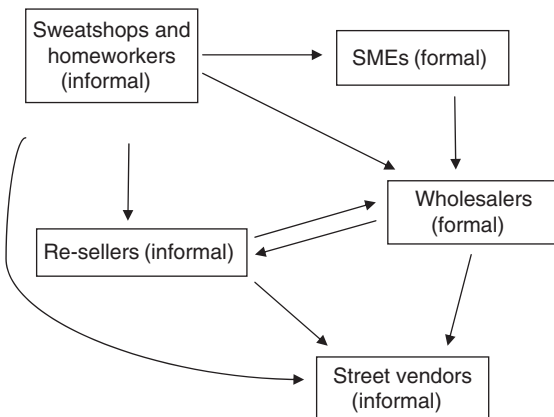


Figure 5.1 Linkages between informality and the formal (or regular) economy in the three cases studied

Note: SMEs: Small-medium enterprises, TNCs: Transnational corporations.

c) Chain of underwear production and trade (Nova Friburgo and Itapetininga).

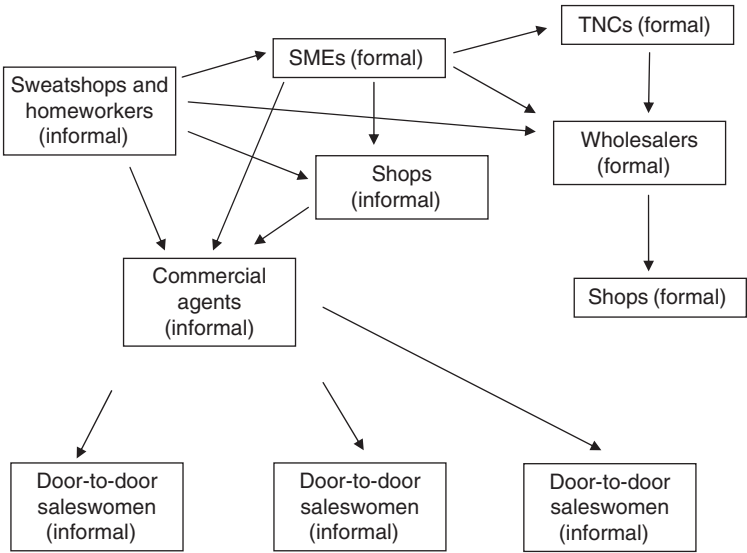


Figure 5.1 (Continued)

Transactions among these different actors assumed different meanings according to the actors involved. They had a purely economic aim when they took place between large firms, middlemen and the public managers of sorted waste collection and processing, while their economic goal overlapped with various social meanings when they connected the *catadores* with the public managers of the service, but also with the *atravessadores*. This variation of meaning and value is also apparent if one considers the main commodity exchanged along this chain, namely, recyclable waste. It had a purely economic value in transactions between firms and middlemen, while it assumed a multiplicity of meanings in transactions between the municipality and the garbage collector associations, and between the latter and the middlemen.

Figure 5.1b illustrates some of the actors involved in street trading in Porto Alegre, and highlights the principal relations among them. Once again, several linkages emerge between the formal and informal economies. Moreover, the economic activity performed by the street vendors may be characterized by different degrees of informality. Actions in breach of the formal rules may concern one or more of the following aspects: occupation of public land, production, selling, and the purchase

of goods for resale. Perhaps more than others, the case of street trading exemplifies the linkages between economic systems operating at the local level in the informal economy and production systems, formal and informal, operating globally (Pinheiro Machado 2008). Analysis of this case also brings out features that seemingly link with the “informalization” processes that are now, according to Saskia Sassen (2007), reconfiguring the economic spaces of the world’s great cities amid economic globalization. For many people, working in the informal economy is the only possible strategy to ensure their survival, and in urban settings, partly or wholly irregular street trading has become one of the options most frequently taken. At the same time, informal street vendors have become the only agents able to satisfy the consumption demands of an increasingly large population of low-income earners living and working in the great cities.⁶

Figure 5.1c shows the main actors in the underwear production and selling chain, and the connections among them. In this case the interweavings between informality and the regular part of the economy are apparent in both the production and commercial phases. As in the previous case, the informal/formal linkage overlaps with the local/global one. This overlap is clearly visible in the production phase: Nova Friburgo, in fact, is a diffused economy area where large numbers of small and medium-sized firms—each of them specialized in the manufacture of particular articles of underwear or parts of them—interconnect in complex subcontracting chains. The selling side is instead characterized by the presence of actors operating almost entirely in informality. Transactions among these actors, however, are regulated by different institutions that may be more or less incorporated into society.

5.3 Informality and Market (or the Exchange Form)

At first glance, informality might seem an indeterminate set of work situations displaying, more strikingly than elsewhere, the degenerative effects of the dynamics of individualization and fragmentation, which, in different ways and to various extents, have transformed the social and economic texture in the world’s North and South. Since the 1980s, the automatization, informatization, and, in general, reorganization of the productive systems have increased the number of unemployed people whose reentry into the official circuit of the economy is increasingly unlikely. As said in the first chapter, in many Latin American countries various

factors have characterized recent years: increased unemployment, economic growth often coinciding with greater social inequality, and the decline of the so-called wage society (Castel 1995).⁷ In general, these factors have greatly reduced the explanatory capacity of those approaches to the informal economy that used to treat it as some sort of “transitional stage” toward the full regularization of employment relationships and economic activities. Since then, the informal economy has received numerous definitions and interpretations. In particular, there has been a tendency to consider the informal economy as a set, ill-defined in its contents and boundaries, comprising the “shipwrecked of development” (Latouche 1993)—that is, people with no hope of participating in social and economic modernization. In practice, these are individuals interconnected by extremely difficult life circumstances and excluded from both the official circuit of the economy and the rights of citizenship. They seem wholly marginal to society and, for this reason, “desocialized” (Castel 2004). They procure the means to live by acting in free markets unconstrained by the state or the community. The detailed studies conducted in Itapetininga, Nova Friburgo, and Porto Alegre furnished some features that likened the social actors observed to the category of the “shipwrecked by development.”

For instance, the *sacoleiros* competed with each other to obtain the best sales zones, secure the services of the most reliable door-to-door saleswomen, and thereby increase their earnings. The *camelôs* and *ambulantes* competed for spaces on streets with the largest and most constant flows of pedestrian traffic. And the *catadores* resorted to various competitive strategies to secure the recyclable waste most demanded by the market.

To use Polanyi’s model, in the types of informal economy observed, market mechanisms intervened to regulate economic exchanges, even if in often different ways and to different extents. Intervention by the market (or the exchange form) was probably most evident in the case of the street vendors.⁸ The prevalence of one form of integration rather than another, and the shifts from one to the other, can be explained by various factors. Transaction costs analysis has certainly furnished an effective analytical scheme with which to explain such changes (Cella 1997; North 1977).

In certain respects, according to the approach proposed by Hernando de Soto (1989), the informal economy (and street trading in particular) represents the sphere in which the market (or the exchange form) can operate without too many bonds. In this case, he used the transaction

costs scheme in order to explain the transition from formal or regular economy (in which, in the South of the world, the market doesn't prevail) to the informality (in which the exchange form predominates).

However, workers in the informal economy incur costs due to the uncertainty of their employment relationships and economic activities. Although the costs of informality are often difficult to quantify, they nevertheless existed and influenced the behavior of the social actors observed: for instance, in the realities observed, the *carrinheiros* and *carroceiros*, who usually worked on their own account, could only do so if they found the money to buy or rent a handcart or a horse-drawn wagon. In practice, the garbage collectors could sell the material collected only to the middleman who had rented or lent them their handcarts. The street vendors and *sacoleiros* had to raise initial capital, albeit a minimal amount, to purchase goods for resale. At times, moreover, in order begin their activities, these workers were forced to pay a sort of "entry tax" to those who controlled the space used to trade (or part of it). For example, to secure a portion of sidewalk on which to sell or to purchase articles for resale, some street vendors resorted to the organized crime groups that ran part of Porto Alegre's street trade.

Many of the costs sustained by the informal workers derived from their exclusion from the formal part of the economy, and therefore essentially from their exclusion from bank credit and the formal system of legal protections. Moreover, informality obliged large numbers of microentrepreneurs not to develop their businesses, lest they become "visible," and thus more easily identifiable by the regulatory authorities. As stated, those who live and work outside the official system of laws must sustain costs to protect and mobilize their assets. Notwithstanding all these costs, according to the de Soto approach (1989), once a microentrepreneur in the South of the world has evaluated the costs and benefits related to entry into the formal economy, she or he will often opt to remain in informality, because the transaction costs of the official circuit are higher than those of "the other half of the economy."

In practice, however, it is frequently apparent that the behaviors and choices of social actors do not derive exclusively from their analysis of the strictly economic costs and benefits involved in a particular situation; they also depend on the social structures in which such actors are "embedded" (Polanyi 1957a), and on the institutions that define the possibilities of exchange, interaction, coordination, and conflict among actors. The fieldwork presented in the previous chapters highlighted other features, which are different from those just described and, in certain

respects, distance the subjects observed from the representation of the “shipwrecked of development.”

5.4 Informality and Social Networks

During the fieldwork, I found that many of the informal workers observed had been expelled from the official circuit of the economy. Some of them from rural areas had tried, without success, to find regular employment when they first arrived in the city. As stated, in many cases, these were women and men who, besides losing (or not finding) a regular and socially protected job, had also lost their status as citizens. The state of social insecurity had become permanent in the informal economy, and it contributed to destructuring the social ties that these individuals had established in the formal urban economy or in the rural contexts from which they originated. Social insecurity therefore transformed their lives into daily struggles for survival.

It consequently seems that the nature itself of the informal economy engenders “social dissociation” (Castel 2004), “corrosion of the character” (Sennett 1999), or “fragilization of the personality” (Gallino 2001), today frequently connected with the processes of “flexibilization” and “precarization” that characterize the most recent changes in economic and production systems and labor markets.⁹

But it is precisely in order to defend themselves against the free operation of the market that the social actors in the informal economy seek to rebuild sociability. My attempt to converse, in the broadest sense of the term, with the garbage collectors, the street vendors, the commercial agents, and the door-to-door sellers revealed the existence of various devices employed to reduce the uncertainty distinctive of operating in the informal economy. To survive, these informal workers sought to reconstruct social bonds, often with people in the same situation as themselves. They thus formed social groups that performed an important role in their substantive survival. But they also worked together to rebuild sociability and new collective identities, in a domain seemingly characterized only by “hyperindividualization.” It was especially in the case of the *catadores*, and in that of the *promotores*/door-to-door sellers, that the uncertainty and costs of their informal economic activities seemed alleviated by community bonds and reciprocity mechanisms. The garbage collectors were able to do their work by establishing informal agreements with the shopkeepers in the city center or with the inhabitants of the suburbs, so that they could ensure themselves a constant supply of

recyclable waste. The commercial agents were tied to the entrepreneurs by a sort of extralegal contract based on reciprocal economic convenience, but also, and especially, by friendship and a sense of belonging to a group or community. The door-to-door saleswomen only sold their goods within social circles formed of known and reliable people. The intangible resources—that circulated through the relational networks among these social actors—thus became decisive in ensuring the existence and reproduction of those economic practices.

These considerations seem, in certain respects, similar to those formulated by various scholars who have investigated the so-called support system (e.g., Lomnitz 1977; Piselli 2001). In this regard, in fact, some authors have shown the importance of sociorelational networks in enabling people to cope with problems, and above all with the most difficult episodes in their lives (illness, stress, economic hardship, etc.), but also to make the best use of their capabilities and energies (Piselli 2001, 57). The use of these resources, however, did not seem functional solely to the economic dimension of social relationships.

For some of the social actors with whom I conversed, being an informal worker meant earning a living, but also belonging to a group of persons similar to themselves and with whom they identified. For instance, for many of the door-to-door saleswomen, frequent encounters with other women, in the same geographical and social setting, not only reinforced a network of interpersonal relationships useful for performing economic transactions with greater security, but also enabled them to share their experiences, to acquire information, and to know that they were not alone in coping with the difficulties caused by the poverty most of them suffered. The meetings among these women were therefore not expressly aimed at economic exchange; they were instead the preconditions for it. The goods exchanged were never disjoint from social relations. Likewise, in the commercial agents group, values such as friendship, trust, and loyalty replaced formal guarantees, and they helped to build a particular social order within which economic transactions were also regulated.

Also in other observed economic activities, operating in the informal economy assumed a meaning that extended beyond the purely economic one. For the majority of the women working at the garbage collectors' associations of Porto Alegre, for instance, their work was a source of earnings that supplemented meager family incomes, but, above all, it was a source of social emancipation. Within the waste collection and recycling business—work undertaken almost exclusively by people suffering particularly dramatic forms of social exclusion—the *catadoras* had

constructed a dense network of social relationships based on trust and reciprocal support. These social values were fundamental factors in freeing these women from the exploitation to which they were subject in the households and suburbs in which they lived. In this case therefore informal economic activities performed a social function that the protagonists judged so important for the improvement of their lives that it greatly outweighed any economic profit that such activity might bring. But also for those working independently (e.g., the *carroceiros* and the *ambulantes*), informality could be a space to pursue goals other than economic profit. For these social actors, the informal economy was an environment in which they could aspire to a sort of “social redemption,” and assert their independence from the world of rules (the formal or regular part of the economy), which had rejected them as unsuitable.

These findings from the fieldwork induced me to conclude that, of the various realities analyzed, that of the *promotores* and the door-to-door saleswomen was the one in which reciprocity seems to prevail in regulation of the various types of transaction that took place among the social actors. In this case, in fact, economic exchange was not expressed and thematized as such; rather it was framed among more complex social meanings.

But, as already said, information gathered by the ethnographic research allows for different interpretations. For example, it may be particularly fruitful to try and interpret the case of the commercial agents and the door-to-door saleswomen by using the concept of “circuits of commerce” proposed by Viviana Zelizer (2009). This case, in fact, seems to comprise all five of the elements that Zelizer used to define “circuits of commerce”: (1) a set of social relationships among particular individuals, (2) shared economic activities conducted by means of those relations, (3) shared accounting systems, (4) the attribution to economic activities of a shared meaning, and (5) a boundary separating members of the circuit from the nonmembers, with a certain control over transactions across the boundary.¹⁰

More generally, in all the examples of informality mentioned, the social actors seemed for the most part “reasonable,” without necessarily the predominance of Weberian goal-directed rational action. In certain cases, in fact, choices were not made by calculating quantifiable economic elements alone, but rather by subjectively weighing up various aspects. This subjective calculation confirms that the economic dimension is for the most part embedded in the social one, and therefore, it is not rare that “social reasons” have primacy over “mercantile reasons” (Latouche 1993).

The fieldwork described in the previous chapters also found instances in which marginalized groups organized themselves to go forward mainly by means of collective economic strategies. The garbage collectors (the majority), but also the street vendors (to a lesser extent), had developed associative forms that, although had frequently been created to deal with a specific emergency, had subsequently reformulated their claims in more general terms. Essentially membership of an association gives access to social benefits of crucial importance for both the functioning of the collective organization itself and its attractiveness to workers in the informal economy. In some cases, the benefits consist in advantages quite similar to which regular workers are entitled. The majority of the members of the garbage collectors' associations of Porto Alegre, for instance, stressed the importance of being able to receive part of their wage when they were absent from work due to illness or some other unforeseen event, or the fact that they had working hours that allowed them to devote time to other important aspects of their lives (e.g., childcare). Also for the street vendors, "associationism" seemed to give them greater chances of access to a series of individual and collective benefits—some material, others intangible—that ensured a minimum of well-being despite low incomes. This was particularly evident in the case of the *Feriantes da rua dos Andradas* Association, whose members could access forms of subsidized private health care, and obtain microcredit to purchase equipment that enabled them to work even when it was raining. Moreover, the membership allowed keeping the portions of public land that each member of the association had occupied for trade.

The empirical evidence has therefore highlighted various examples in which the survival of numerous individuals working in the informal economy was ensured by bonds of reciprocity and dense interactions with relatives and friends in the same situation. But it also emerged that, in certain cases, the resources furnished by the networks of social relations, in which the actors were embedded, could turn into constraints and hamper social integration. In fact, some of the social actors observed had found forms of protection and security, albeit minimal and precarious, in the community that, in some cases, coincided with that of organized crime. Working in the informal economy might mean having to reach compromises with those who had occupied—with their own system of informal rules—the spaces made available by the absence of an effective formal regulatory system. As said in Chapter 3, many of the *ambulantes* of Porto Alegre, in order to obtain a stable space, in which to display their wares and do business without being constantly "disturbed," had to deal with

organized criminal groups, which managed, at least partly, the spaces and the supply of articles to be resold. The *carroceiros* and the *carrinheiros* frequently depended on a single middleman, who “loyalized” the economic relationship by furnishing a series of additional services: assistance with maintenance of the horse or handcart, loans, help with finding accommodation, and credit with other businesses also owned by the middleman. These close relationships of interdependence served to maintain the *status quo* and therefore impeded change.

Likewise, the material and symbolic goods that flowed through the relational networks among the *camelôs* were decisive for the survival of those social actors. But, at the same time, they obstructed any significant improvement in their working conditions. In this case, the “density” of friendship and neighborhood bonds was useful for reciprocal support (especially to cope at times of greatest difficulty), but it did not seem to foster the creation of wider social benefits extendable to similar workers.

Once again, detailed analyses of forms of informal economy have shown the complexity of the phenomenon. The interpretation, based on Polanyi’s model, has identified different types of informality in which one form of regulation seems to prevail over the others, although never sharply. Anyway, the market (or the exchange form), which predominates in regulation of the transactions involving mainly street vendors, does not seem a specialized institution totally autonomous from society.

5.5 Informality, Politics, and Development Paths

In the first part of the book I pointed out that several theoretical and empirical approaches to informality have depicted the phenomenon, especially in the South of the world, as a sphere in which individual and collective social actors behave according to logics of action that are difficult to export to the rest of the society, or that are even in conflict with its rules and values. Alejandro Portes and Manuel Castells—in their introductory essay to the collection of studies entitled *The Informal Economy*—wrote that “the informal economy is not an individual condition, but a process of income-generation characterized by one central feature: it is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated” (Portes and Castells 1989, 12). De Soto (1989), although taking a different interpretative approach, argued that informal workers act outside the official law and, in order to protect and mobilize their assets, rely on effective informal agreements, although their recognition and validity are very limited:

These accords derive from a combination of rules selectively borrowed from the official legal system, *ad hoc* improvisations and customs imported from the places of origin or found *in loco*. What holds them together are social contracts accepted by the communities of informal workers that come into being. These contracts are usually enforced by authorities, which the communities of informal workers have created. (de Soto 2001, 32)

Although correct, these analyses may induce an interpretation of the informal economy as a sphere entirely disconnected from the rest of the society. They may also induce the depictions of informality as a domain of marginalization incompatible with any process of modernization. Contrary to interpretations of this kind, Saskia Sassen (2007) has recently shown that the informal economy performs a significant role in the change processes that characterize globalization.

In certain respects, the findings of the empirical research described in this book also gainsay the view of the informal economy as a separate entity. The cases studied showed that informal organizations may comprise resources that, if mobilized in a certain way, may both favor connections between the informal and formal parts of the economy and activate changes intended to improve the living and working conditions of informal workers. To prevent a rigid interpretation of the informal economy as entirely closed to the outside—and for this reason a possible obstacle against modernization—it may be useful to identify and carefully assess the capacities of the various types of informality to interact with other actors operating in the same settings. In particular, it may be important to determine the mechanisms that enable interaction among social groups in the informal economy on the basis of particularistic relations and that, at the same time, generate more inclusive and universalistic relations among those groups (Mutti 1998).

The empirical research method used delved more deeply into the social relations among actors in the informal economy. It sought to identify the structure of those relations, their meanings for the people involved, their functions, and their degree of openness. The analysis of the ethnographic accounts highlighted that the most interesting aspects, and the most promising in terms of the presence of resources able to stimulate change, mainly pertained to the forms of “associationism,” especially developed in the case of the garbage collectors. In this case, “associationism” seemed able to remedy situations characterized by severe hardship and by a market’s structure that marginalized the most vulnerable. It was observed that the associations of *catadores* and *catadoras* mainly undertook tasks of

self-regulation. As was shown, these associations organized work through a precise allocation of tasks and by setting productivity targets (albeit minimal). In some cases, effective compromises were reached between the personal needs of members and those of the association, intended as a production unit. Moreover, the association controlled and sanctioned opportunistic behavior by its members, enhancing, at the same time, their self-esteem, mitigating their distrust of colleagues and, in general, of persons extraneous to their narrow social circles. But the field research also showed that the garbage collectors' associations of Porto Alegre had learned with time how to advance their claims, often expressed in more general terms. In fact, it is not possible to explain participation in those associations in light of economic reasons alone. Social reasons must again be considered. Membership of an association gave informal workers access to a series of benefits, which ensured a minimum of well-being despite their low incomes. As Flor, a *papeleira* in Porto Alegre put it, belonging to an association reduced "the risk of falling lower and lower," by granting the garbage collectors a series of "close protections" (Castel 2004) and the stability, even though minimal, that was entirely lacking when they worked on their own. Moreover, by redefining their claims, the associations had developed a more concrete capacity to speak with a collective voice (Hirschman 1970), and they seemed to have fostered, especially among the public authorities, a less skeptical attitude toward the abilities of these groups of workers on the margins of society.

In the majority of the garbage collectors' associations observed in Porto Alegre, I noticed some of the characteristics that James Coleman used to define an "appropriable social organization," that is, an organization created for particular purposes that may also be of help to others, "constituting social capital that is available for use" (Coleman 1990, 312). The organization therefore creates a "by-product"—the "appropriability" of that same organization for other purposes—that constitutes social capital. Indeed, some waste recyclers' associations did not restrict their activities to self-regulation. Although they established boundaries with the outside, in order to distinguish their members from own-account workers (but also to highlight differences between one association and another), they were receptive to what lay beyond those boundaries. This propensity to dialogue was especially evident among the associations themselves, and it helped create a more composite and less exclusive identity exemplified by the Federation of Rio Grande do Sul Garbage Collectors (FARRGS). Despite many problems due to representation issues,

different attitudes within the organization, and discordant views on the strategies of collective action to be undertaken, FARRGS had become an interlocutor recognized by the local public authorities, and by the formal economic subjects involved in the collection, sorting, disposal, and recycling of solid urban waste. In Porto Alegre, such recognition had brought greater legitimation to the activities undertaken by the associations belonging to the federation. In this way, the associations had become effective means for the garbage collectors to interface with the sphere of politics. Within this process of reciprocal recognition—although it was by no means linear or complete—politics had in turn assigned the garbage collectors' associations a role of local representation and delegated some public responsibilities to them. The association, in this case, was therefore an organization that, besides representing and protecting the interests of its members, cooperated with the public authorities and, in this interaction, showed greater willingness to renegotiate and at least partially reconstruct its identity.¹¹

Besides the fact that the collection, sorting, disposal, and recycling of urban waste was a service that directly involved the public authorities, these factors unexpectedly made this type of informality—mainly regulated by associations—contiguous with politics (or redistribution, to use Polanyi's model of the three types of integration). The *catadores* associations thus seemed to act as intermediaries enabling these informal social actors to remain in informality, and thus not have to sustain the costs of belonging to the official economic circuit (costs that are considered prohibitive for that type of economic activity). At the same time, however, the associative form gave informal workers entitlement to social benefits similar to those accruing from work in the formal part of economy. It thus brought the informal and political spheres closer.

The field research also showed the extent to which specific social actors performed a crucial role in this process of interaction with politics and the extension of trust. In this regard, *dona* Eulina of the *Centro de Educação Ambiental* (CEA) of Vila Pinto and Emiliano of the *Novo Cidadão* Association—because of their leadership qualities and their positions in the relational networks to which they belonged—were crucial for activation of horizontal and vertical cooperation intended to improve the circumstances of the garbage collectors. They thus seemed to assume the role of mediators or “social entrepreneurs,” whose function, according to Antonio Mutti (1998, 107–108), is to “innovate and manipulate networks and their rules,” and who, with their negotiating skills, are able to favor the creation of linkages among networks, and to

stimulate “the implementation of coherent, selective and effective policies for development.”¹²

The presence of manifold forms of the informal economy, the resources latent within them, and the diverse interweavings between informality and the regular economy are elements that call into question the idea that modernization is a unique form of constant progress, characterized by the absence of restrictions. In this sense, analysis of these elements points out the possible diversity of development paths (Hirschman 1963, 1971). It can therefore become important to choose the “paths” most appropriate to the various economic and social settings in which informality, with all its specific features, arises and develops.

5.6 The Renewed Challenge of Informality

The resumption of interest in the informal economy apparent in recent years derives, I believe, from the renewed challenge that emerges when informality is framed within the processes of economic and social change generally denoted with the term “globalization.” Even today, in fact, the informal economy is a significant factor in the majority of economic systems, especially those in the South of the world. On the one hand, estimates of the informal economy—their variability notwithstanding—confirm its continuing importance in quantitative terms. On the other hand, a large body of detailed empirical studies demonstrates the complexity of informality, and the diversity of its links with the formal or regular part of the economy. Often interwoven in the informal economy are the traditional with the modern, the legal with the illegal, the local with the global, so that explanations based solely on rigid dichotomies lose much of their efficacy. Moreover, features by now considered typical of informality mingle with new ones, generating processes whose interpretation is anything but straightforward.

The fieldwork reported in this book was mainly focused on the description and interpretation of the social practices and economic transactions developed by men and women surviving on the margins of the official circuit of the economy, of society, and of great conurbations in Brazil. The use of mainly ethnographic research method, in necessarily circumscribed settings, made it possible to investigate the ways in which social actors seek to survive and build lives in the informal economy. The decision to interpret the results of the fieldwork using Polanyi’s model of the three forms of integration evidenced that, according to the context, one

form prevails (though never entirely) over the others in the regulation of transactions and in the construction of a particular social order.

It emerged that social groups, whose circumstances seemed irremediably to condemn them to permanent exclusion, had been able to organize themselves to extract greater value from their resources and to move forward. The research identified organizational forms that besides pursuing strictly economic goals, sought to extend their aims further. They thus strengthened the interpersonal trust and the collective identity of people on the margins of society and in circumstances of apparently inevitable social disintegration. Associations, in these specific examples of informality, contributed to the accomplishment of a social order that, in certain cases, was an important factor in the endeavor to improve the living and working conditions of informal workers. Some associations, created for particularistic purposes, had been able to redefine, at least partly, their initial structures, triggering a process of relative openness and transition from forms of trust focused on particular experiences, and specific social actors, to forms of generalized trust. These changes produced effects difficult to predict. As in the case of the garbage collectors, where the association formed a sort of bridge between informality and the formal part of the economy, bringing politics closer to a domain—that of the informal economy—where public intervention (or the redistribution form) seemed nonexistent except for repressive purposes.¹³

Detailed study of specific examples of informality has also shown the diverse forms that the phenomenon may assume. Aside from estimates of the general weight of the informal economy in a particular economic system, knowledge of the heterogeneity of practices comprising the informal economy becomes essential for understanding what type of informality one is dealing with. This exercise of distinction and analysis is even more important for those tasked with devising and implementing measures to intervene in this domain.

However, deepening knowledge of some of the manifold operational forms that this notion can assume in reality does not mean restricting the analysis to the microlevel alone. The empirical research, conducted in specific Brazilian urban areas, also makes it possible to perceive new connections between the local and global, highlighting some of the localization processes distinctive of globalization. It is by now clear that understanding the new patterning between formal and informal, and the relationships between informality and globalization, requires the

use of categories that do not presume the usual traditional/modern, formal/informal, legal/illegal, and local/global dualisms. It is therefore necessary to devise new categories, and this, once again, entails detailed study of the everyday practices of people who earn their livelihoods in the informal economy.

Appendix

A Note on Method

As already said in the chapters 2, 3, and 4, I decided to use mainly ethnographic research tools in my fieldwork. I believe that these tools may help to understand how social actors perceive and interpret the context in which they live, the norms, beliefs, and values that influence their action, their everyday ceremonials and rituals, and their linguistic codes and routine behaviors.¹ Ethnographic research, in fact, yields a narrative account of causal processes, and it can be used to locate the connections between events and actions along a diachronic continuum, highlighting the multiple and contingent nature of social causation (Becker 1998). In particular, I decided to use a method of inquiry that, in many respects, resembled to the economic ethnography, which conducts detailed analyses of economic transactions to show how they assume meanings for the subjects that perform them (Duffy and Weber 2007). As I have already mentioned, I also chose the economic ethnography because it is a method that favors constant comparison among interpretative models drawn from different disciplines. Such constant comparison may make it possible to avoid sterile oppositions among such disciplines as sociology, economics, and anthropology.

I therefore decided to describe in some detail the economic transactions performed by subjects working in the informal economy in different urban areas of Brazil. This was a “multisituated ethnography,” which privileged observation of the specificities of social life and sought to reconstruct how the social actors interpreted what they were and what they did. In particular, the fieldwork was conducted in three geographical areas: Itapetininga, Nova Friburgo, and Porto Alegre. I spent around seven months in Porto Alegre, dividing my time between observation of garbage collectors and street vendors. The fieldwork with the commercial agents, door-to-door sellers, and manufacturers of underwear lasted for around three months, during most of which time I lived in the “hostel” for the Blue Star *promotores* in Itapetininga.

I have included annotations on the method used in the chapters narrating the fieldwork. In this brief appendix, I shall reiterate those annotations and give further details on the tools of inquiry used. In particular, I shall resume aspects to do with my direct experience in the field by referring to the three principal phases

through which, according to Erving Goffman (1989), fieldwork moves: “Getting into place,” “exploiting place,” and “getting out of place.”

In all the contexts observed, the wealth of stimuli emitted by the setting, and the diverse difficulties that arose, obliged me to make changes to my initial research design, adjusting it to the situations that emerged from the interactions with the social reality. However, these adjustments were made while trying to maintain the initial framework on which the research project had been structured. On all occasions, one or more “cultural mediators” (Cardano 2003, 125) enabled me to gain access to the physical and social field. The help of the credit agents of *Portosol* and the employees of the *Caixa Econômica Federal* was essential for me to be able to contact some garbage collectors and the *camelôs*. In the case of the *catadores*, being able to participate in the daily life of the *Novo Cidadão* Association facilitated my interaction with other social actors, belonging to other garbage collector groups of Porto Alegre. In fact, the opportunities they gave me to take part in meetings among *catadores* of Porto Alegre, always accompanying one member of the *Novo Cidadão*, mitigated the initial suspicion shown toward me by the other participants at those meetings.

Although my work alongside the *catadores* never enabled my complete assimilation into their group, our constant contacts and conversations narrowed the distance between us. They fostered reciprocal knowledge and thus facilitated my research and the possibility to furnish a “thick description” (Geertz 1973).

It took several days before general consensus was reached on my presence in the *Novo Cidadão* Association. As said in Chapter 2, after Emiliano invited me to work in the association, I had to deal with some practical issues that, if not resolved, would have put at risk the fieldwork. I first had to negotiate my wage with Emiliano. This was a delicate matter. It would legitimate my presence in the association, but it could also create barriers between me and my workmates. Second, I had to cope with Emiliano’s expectations about the benefits that my entry into the association would bring. He believed, in fact, that my status as a university researcher from a foreign country would make me a “privileged interlocutor” with the city authorities, and other institutional actors. In this case, Emiliano’s initial expectations were scaled down with time. As the days passed, he changed his mind as he realized that none of the public officials, nor the NGO personnel, who frequently visited the depot knew who I was.²

I mentioned in Chapter 2 the indifference with which my fellow workers greeted my arrival at the depot. With time, however, this attitude changed and favored my entry into the group. I believe that numerous factors improved the interaction with the group. The most important were the following: (1) my largely constant presence in the depot, even at times of the day when nothing happened; (2) the humble attitude toward my workmates; (3) the willingness to talk to all of them, without excessively close relations with anyone in particular; (4) the admission that I was “inept” at the some of the work tasks required of me;³

and (5) the determined exclusion of “my world” and its influence from that of the association. I sought to reduce the awkwardness and embarrassment due to my presence by approaching the members of the group discreetly. I let them decide, at least at the beginning, what to tell me and how much. I would adopt a passive stance, especially during the group’s meetings. I tried to be self-effacing and to show that I had no power, and this facilitated my integration into their narrow social circle.

This sort of “self-discipline” (Goffman 1989) was often severely tested, especially when conflicts arose among the members of the association, and when I listened to stories of desolation and despair. On my first encounters with such situations, I felt a distress that I was often unable to conceal. In order to maintain the “self-discipline,” I decided to adopt simple actions usually adopted by my workmates: at moments of particular tension, I walked out of the depot for a short while. But despite strategies of this kind, tensions within the group hampered my research, because such moments were always followed by one or two days when communication among us was reduced to a few words.

Gaining the trust of Emiliano, and his mother, *dona* Teresa—who effectively controlled the group—was crucial for the management of relationships with the group. It enabled me to interact freely with all its members and thereby continue my fieldwork.⁴ Emiliano and Teresa were also very important because, with their help and guidance, it was easier for me to grasp the meanings of actions, words, and symbols by comparing my interpretations of the patterns of action observed with theirs.⁵ As the days passed, my constant presence in the depot, performing the same tasks as the others, sharing breaks with them (and some free Sundays), and the indifference to me shown by most of the NGO representatives, who visited the depot, helped dispel the initial suspicion of the garbage collectors toward me and fostered my integration with them. Some of the group’s actions served as useful indicators of the progress of my acceptance: (1) the way in which I was greeted by my colleagues every morning, (2) the affection shown to me by little Rubens when he came into the depot from playing outside, and (3) the fact that nobody used the yellow rubber gloves with my name written on them. These behaviors were repeated when I interrupted my “participant observation” at the *Novo Cidadão* Association, and my visits became infrequent.

I talked to all the members of the association. The ethnographic interviews were never scheduled but took place unannounced during the observation. The initial and final hours of the working day, and the breaks, when we were preparing food, were the times when it was generally easier to converse with my fellow workers. Better understanding of the meanings of their rituals and behaviors then allowed me to conduct interviews focused on specific topics, abandoning, at least partly, the discursive type of interview, which had prevailed in the first observation period. I was never able to record conversations at the *Novo Cidadão* Association since almost all my workmates balked at even the sight of a recorder. Initially, my note taking also aroused their curiosity, but thereafter they increasingly perceived

it more as an action that contributed to the construction of my identity within the association.

In general, my work at the depot facilitated the research activities, although I almost always had to alter the fieldwork schedule because of unforeseen events.⁶ My encounters and conversations with other *catadores* almost never took place according to a preestablished schedule of appointments. On numerous occasions, I met *carroceiros* at the large waste container installed outside the *Novo Cidadão* depot. Although these workers were willing to talk about their activity, they generally refused to fix an appointment for the interview. Consequently, I always had long waits before I could talk to them and observe their actions.

My attendance at the largely improvised meetings of the Porto Alegre garbage collectors, at those of the *Fome Zero* project together with Emiliano, and others organized by some departments of the city administration or by the FARRGS was often decisive in reestablishing contacts. This restricted the wastage of time, which, in the long run, would have prevented the continuation of the research.

In the case of the street vendors, I alternated (especially in the initial period) intervals of time devoted to “passive observation”—when I visited the same zones of the city at different times of the day—with other occasions (of longer duration) when the observation became “active” so that I could familiarize myself “with what at the beginning appears exotic to the researcher, and try to transform into exotic what is familiar” (Da Matta 1978). My main problems of integration occurred in the *camelódromo*, a closed physical and social setting in which “dense” interpersonal ties impeded tolerance of outsiders who were not customers. The interactions within the *camelódromo* were therefore very intermittent, and I was only able to overcome the barriers of suspicion against me with some of the *camelôs* who traded close to the stall run by *dona* Maura and *dona* Gloria.⁷

In general, I found it difficult to keep to a preestablished schedule of appointments with the vendors working along the streets of *dos Andradas*, *Voluntários da Pátria*, *Protásio Alves*, and *Oswaldo Aranha*. I instead had to adapt the fieldwork to when the vendors were present on their pitches. For example, the days when I worked alongside Daniél came about more by chance than design. I would walk along the street *Voluntários da Pátria*, and if I ran into Daniél, I would rearrange my appointments so that I could observe his working day. Moreover, because rain meant low earnings for the street vendors, a rainy day frequently meant that I was unable to work in the field. But those days were anyway useful for my research, because they gave me time to organize the field notes from the previous days.⁸

Also in the case of the street vendors, crucial for the fieldwork was endorsement of the research project by some “gatekeepers,” such as Arthur of the *Feriantes da rua dos Andradas* Association, and Raul and Ricardo of the *Pelo Caminho do Meio* Association. Once they had reassured themselves that my presence would not in some way alter relations within the group of street vendors, they allowed me to participate in informal meetings, which would have been difficult to

access through other mediators (I refer in particular to the meetings, often held impromptu, of the promoters of the *Comité da Economia Informal*).

During the fieldwork with the *ambulantes*, I was not always able to understand the speech of the subjects observed, both because they frequently used slang and because, in some cases, they employed a set of symbols specific to the social culture in which they were “embedded.” Decisive in remedying these comprehension difficulties were both the passage of time spent with the vendors, and the comments and explanations of the *ambulantes* whom I accompanied.

My access to the physical field, in which the commercial agents worked, was made possible by the intermediation of Januario, the owner of the Blue Star. Januario was also the guarantor who introduced me to the owners of the sweatshops scattered around Nova Friburgo. Thanks to the trust placed in Januario by these subjects, I gained access to places that an outsider would have found difficult to enter. In the case of the Blue Star *promotores* who lived in Itapetininga, it was important for me to gain the trust of Evandro and César and obtain their consent for the fieldwork. In different ways, they were the leaders of the two subgroups that formed the community of the Blue Star commercial agents: Evandro represented the sales agents aged between 40 and 50, and César the younger ones. Moreover, the “participant observation” that I adopted with the *promotores* gave me greater freedom of movement in the field. I could consequently take notes and conduct interviews in the form of both free conversations and shorter verbal interactions focused on more specific topics. My approach toward the door-to-door saleswomen was different. With them, I assumed the role of an Italian intending to start a door-to-door sales business on his return home. I was thus able to conduct “covert observation” and thereby limit, at least to some extent, departures by the saleswomen from their routine behavior.

“Self-discipline” and deciding when to stop the fieldwork were particularly difficult with the *promotores*. If, as Goffman (1989) said, a reliable sign that a researcher has really penetrated the group being studied is the impression that she or he could “inhabit” in the world being studied, and quit being a sociologist, I can confirm that I indeed become a member of the group of the Blue Star’s *promotores*. Consequently, in this case, it was not at all easy for me to accomplish the phase of “getting out of place.” These difficulties, and the limited amount of time remaining, prevented me from deepening my knowledge of various aspects concerning the manufacture of underwear (in this case, I have only been able to sketch the links between the sweatshops and regular firms, and I could collect merely superficial information about employment conditions in the sweatshops).

I encountered some similar obstacles in all the social and geographical spaces that I visited and observed. One of them was my scant, or even nonexistent, control over variables external to that specific field of inquiry, which may have influenced the reality at the moment when I was observing. For example, the particular political conjuncture during my time in Porto Alegre sometimes affected

the individual and collective behaviors of the garbage collectors and street vendors. In fact, during the time I spent in the capital of *Rio Grande do Sul*, administrative elections were held. In the case of the commercial agents and the door-to-door saleswomen, I noticed that the advent of new competitors in the underwear trade had provoked tensions—which, in some cases, degenerated into open conflict—between the owner of the Blue Star and various of his collaborators. In some cases, the presence of new sales agents working for other firms altered the relations between the door-to-door saleswomen and the Blue Star *promotores*.

Many ethnographic researches, this included, have encountered difficulties due to the methodological peculiarities of ethnography, arousing suspicions as to the objectivity, validity, and reliability of the fieldwork results within the scientific community. Very different positions have been taken up in the broad and complex debate over this issue.⁹ Suffice it to say that my position comes close to that taken by the proponents of a monism of principles, not of rules, and for whom the essential criteria are the principle of objectivity and the soundness of inferential procedures (Cardano 2001). This position asserts that reflexive practices are the means with which to apply these principles in ethnographic settings, and thereby ground ethnographic assertions in objectivity and generality. For this reason, in this book I have sought to flank reflexive accounts with detailed descriptions of the various types of the informal economy that I observed.¹⁰ This final note and the chapters describing the fieldwork contain extracts from those accounts. I hope that I have thus been able to furnish a representation and an interpretation of the realities observed, clarifying, at the same time, the choices that I made during the fieldwork.

Notes

Premises

1. Since the 1970s, various terms have been used to name the activities developed in the informal economy (e.g., underground, nonstructured, parallel, illegal, unofficial, black economy, informal sector, and informality). In this book, I decided to use the term “informal economy” or, alternatively, “informality,” which differ from the term “informal sector,” as I will show in the Chapter 1.

Chapter 1

1. As Ulrich Beck (2004) noticed, by early modernity is meant the first part of the contemporary age when the state, society, and also the conflict between labor and capital were circumscribed by national boundaries. In late modernity, instead, national state axioms seem to lose some of their validity, so that exposure to influences that traverse the boundaries of thinking and acting becomes more invasive.
2. The reference is to the Taylorist-Fordist model of the factory. This model—based on the vertically integrated firm—drew its strength from stability and achieved maximum development in an economic environment characterized by predictable markets. Some of the other distinctive features of this model of production were as follows: planned production; huge investments in machinery; the production of standardized goods (and, in some respects, services); work duties and tasks similarly optimized and standardized; and the large-scale use of medium-to-low skilled labor.
3. Suzanne Berger (2005) has emphasized that, as early as the 1950s and 1960s, there existed other ways to coordinate production functions besides the model of the vertically integrated firm, which characterized the mass production. Alternative ways—the “industrial district model” developed in Italy (Bagnasco 1985; Becattini 1987, 2000; Piore and Sabel 1984) and the Japanese “lean manufacturing system” (Berger and Dore 1998; Castells 2000; Dore 1990)—that subsequently had proved better able than the Fordist

system of production to meet the challenges raised by the new economic and social environment of the 1970s and 1980s.

4. In the last 20 years, some reviews of studies on the informal economy have been published. They were edited by researchers and scholars often directly involved in empirical studies on informal economic activities (e.g., Gerxhani 2004; Lautier 2004; Portes, Castells and Benton 1989; Portes and Haller 2005; Rakowski 1994).
5. In those same years, the large economies were instead characterized by stagnation, inflation, and growing unemployment. They were the years when the crisis officially began of the economic model based on mass and standardized production and the use of largely unskilled labor, which had achieved maximum success in economic environments characterized by stable demand and expanding markets.
6. This view of the informal economy was disseminated by the many empirical studies on the theme promoted by the ILO during the 1970s (e.g., Hart 1973; ILO 1972; Sethuraman 1976; Tokman 1978).
7. See, for instance, Moser (1978), Portes, Castells, and Benton (1989).
8. This term comprises many aspects and effects related to Karl Polanyi's (1957b) concept of "embeddedness."
9. The reciprocity, as a form of integration, presupposes an institutional model of symmetry in social organizations (Polanyi 1957a, 1957b, 1977).
10. In these disciplinary areas, Hart's study thus stimulated resumption of some of the most significant researches on "reciprocity," and in particular ethnographic studies on forms of domestic production in preindustrial societies based on kinship bonds and community principles (e.g., Firth 1965; Malinowski 1922; Mauss 1923–1924; Sahlins 1972).
11. The principal features of modernization identified were rapid demographic growth, development policies excessively centered on industrialization, an agricultural sector in which backwardness predominated, and strong inequalities in income distribution.
12. It was mainly Hirschman, with his distinctive style of argument, who stressed that it is not unusual for understanding of an era to begin only when it has concluded. Hirschman (1987) drew an apposite analogy between the perception of the French "glorious thirty years" and the prevailing perception in Latin America of the decades between the 1950s and 1970s. He pointed out that the expression *les trente glorieuses*, denoting the unprecedented spurt of growth and modernization of the postwar decades in France, was coined in 1979 by Jean Fourastié (1979). "The formula probably owes much of its success to the fact that the French, like other economically advanced societies, were then entering a new era of troubles and were therefore ready to proclaim that everything had been going well, until just yesterday" (Hirschman 1987, 8). Likewise, this reluctance to celebrate, or even to recognize, progress as it is taking place has been particularly evident in Latin America.

13. It was in the 1980s that the theme of labor flexibility began to attract increasing interest among experts, policy makers, and scholars working in different disciplines. Despite difficulties of definition, the debate concentrated mainly on evaluations of labor flexibility, and its effects on firms and workers (Castel 1995; Castells 2000; Dore 2005; Sennett 1999; Supiot 2003).
14. During the 1980s, the informal economy began to be studied systematically also in settings where the apparatus of government regulation and the sanctions applicable in the case of noncompliance with the law were particularly pervasive. For example, various studies investigated the workings of the so-called second economy in the former socialist countries with planned economies (e.g., Grossman 1977; Lomnitz 1988; Offe and Heinze 1997).
15. *Alter-economie* was the title of a special issue of the *Revue de Mauss*, edited by Alain Caillé, that analyzed and discussed some of the most significant models standing as alternatives to an economy based on capitalist principles (Caillé 2003).
16. See also Caillé (2003), Coraggio (1994), Gaiger (2001), Razeto (1993), Singer (2002), and Tantalean Arbulú (1992).
17. With regard to the different terms used to define the informal economic activities, in the second half of the 1990s, the expression “informal sector” was almost entirely abandoned because it was deemed inadequate to represent such a diversified and multifaceted set of economic activities. It seemed by now clear, in fact, that the informal economy could no longer be understood as either a single productive sector or a specific economic activity.
18. Two different, and at least partly contrasting, views of informality have arisen within the organization over the years. The first of them has always maintained that one of the ILO’s priorities should be the quantitative and qualitative analysis of the informal economy (with the emphasis therefore on diagnosis). The second view is an approach that has instead concentrated on the interventions required to deal with informality (Bangasser 2000).
19. An outstanding example at world level is the *Millennium Project* of the United Nations (UN 2005).
20. Empowerment is both a process and an output. It is thus the result of an evolution of learning experiences leading a subject to overcome a situation of powerlessness. It is a condition of to “know how to do” and to “know how to be” characterized by self-confidence, ability to experiment, and to face real circumstances (Negrelli 2005; Sen 1992).
21. As pointed out by Alejandro Portes and Saskia Sassen (1987), the figure for 1980 was probably underestimated: in fact, the operational definition of the informal economy used in the PREALC study excluded informal workers receiving some form of monthly wage in sporadic employment without being registered, and without some form of social security coverage.

22. The International System of National Accounts (SNA) is used as a basis by the largest statistical survey systems in the world. A new SNA scheme was adopted in 1993. It made significant changes to the previous measurement standards established in 1968. In particular, the new SNA drew an explicit distinction between the formal and informal parts of the economy, recognizing the ILO as the principal referent as regards study of the informal economy (Husmanns 2004).
23. From the operational point of view, it was necessary to update the concept of the informal economy used by the 1993 SNA. In 2004, a group of experts of the SNA officially announced the intention to revise the definition of informal employment used for the SNA, with the aim to improve comparisons among countries.
24. Surveys of this type have often analyzed data from various sources, such as social security institutes, business registers, or work-related accident and illness insurance institutes.
25. Another problem faced by *ad hoc* surveys of the informal economy is the high number of “dropouts,” that is, respondents who decide not to answer questions.
26. For critiques of such models see Ahumada, Alvaredo and Canavese (2008), Schneider (2005).
27. In fact, numerous factors must be considered in order to refine the analysis, for instance, (1) the different intensities of energy use in different sectors, (2) the impact of self-production, and (3) the use of alternative energy sources. Moreover, the use of electricity by small-scale subcontractors or crafts businesses may be concealed as household consumption (and, besides, some informal activities do not necessarily require a nondomestic electricity supply).
28. The estimates based on the second method regarded only five countries.
29. It is to be noted that in many of the countries covered by the ILO analyses, agriculture is an important production sector. In many cases, when agriculture is also considered, estimates of the informal economy increase considerably.
30. The study refers to a series of specific surveys conducted on the informal economy at the national level, and to analyses using indirect methods. The main source used was the International Institute for Labor Studies (IILS). Also this recent study evidences that comparison among countries and among periods is extremely difficult, and in some cases, impossible.
31. The analyses conducted by Gasparini and Tornarolli and by the *Centro de Estudios Distributivos, Laborales y Sociales* (CEDLAS) are among the most recent attempts to measure features distinctive of informal activities in the Latin American and Caribbean countries. They have been partly reprised also by a recent study on informality in Latin America published by the World Bank in 2007 (Perry et al. 2007).

32. For each period considered by Gasparini and Tornarolli, the sample represented around 93 percent of the population of the Latin American and Caribbean countries (of the latter area the four largest countries were included: Dominican Republic, Haiti, Jamaica, and Suriname). The majority of the surveys covered by the study were representative at national level. However, despite the progress achieved as a result of Gasparini and Tornarolli's study, the extent to which surveys are comparable is still questionable. In fact, the surveys conducted in the countries concerned were not entirely homogeneous, and it was not possible to solve problems concerning accuracy in the collection of data and coverage of the population (Gasparini and Tornarolli 2006).
33. The "default definition" has various significant shortcomings. Among them, it's important to notice that although this definition allows a distinction to be drawn between informality and the formal part of the economy, it tells us nothing about the other characteristics of the informal economy and its increasing segmentation.
34. "Decent work for all" is today the main mission pursued by the ILO. Decent work is captured in four strategic objectives: (1) fundamental principles and rights at work, and international labor standards; (2) employment and income opportunities; (3) social protection and social security; and (4) social dialogue and tripartitism. According to the ILO, decent work is a goal, not a standard, and consequently it needs to be achieved progressively. For this reason, the ILO has adopted an integrated and comprehensive strategy of action with partial objectives for the short, medium, and long term.
35. The 2002 International Labor Conference was also the occasion when the 1993 statistical definition of the informal economy was extended to include households and informal workers employed in informality. The ILO new definition recast some of the assumptions on which the definition of "informal sector" had been based. With its new definition, the ILO focused more closely on labor relations, seeking to capture the segmentation characteristic, in general, of labor markets at global level and, in particular, the employment arrangements of the working poor.
36. Empirical studies have underlined, for instance, that "there are significant gaps in wages or earnings within the informal economy: on average, employers have the highest earnings; homeworkers have the lowest; and own account workers and wage workers earn somewhere in between, depending on the economic sector and country" (Chen 2006, 78). It has also been shown that the gender variable determines other types of segmentation: in the informal economy, in fact, women seemingly earn less on an average than men.
37. Recent years have seen renewed interest, especially among economic geographers, in the role of space as a production factor. Numerous studies have analyzed the changed role of the state amid globalization and emphasized

the emergence of new territorial, economic, and political orders (Scott 1998; Storper 1997). In particular, Allen J. Scott (1998) has described how localized growth and development processes have contributed to defining a “global mosaic” of regional economies, whose protagonists are vast metropolitan areas in the North and the South of the world. In the era of globalization, metropolitan areas have expanded constantly and rapidly. This contradicts the opinion widely held for a few years that the new transport and communication technologies would reverse urbanization. Moreover, such areas are increasingly involved in broad processes of a spatial division of labor less subject to control by the sovereign state.

38. Barriers against access to the formal part of the urban economy have recently become even higher and more difficult to overcome. This is an unexpected consequence of the processes of deregularization, which have marked the most recent changes at the apex of the economy.
39. According to Sassen and Venkatesh, although these segments of the low-paid labor force work in service to strategic sectors of the global economy, they are unable to emerge as the contemporary equivalent of the “working-class aristocracy” of previous forms of economic organization (Sassen 2007, 119).
40. Viviana Zelizer pointed out that the “circuits of commerce” range from the most intimate to quite impersonal social transactions and involve a network, a bounded set of relations, among social sites. The concept is distinct from those of “network” and “community.” It differs from that of “network” in that “circuits of commerce” consist of dynamic, meaningful, constantly negotiated interactions among sites—be these sites individuals, households, organizations, or other social entities. It differs from “communities” instead because it doesn’t consist of spatially and socially segregated rounds of life (Zelizer 2009, 4–5).
41. Hirschman (1984) has described the attitude of the “economist-tourist” as a penchant for proclaiming peremptory opinions, and recipes, appealing to supposedly universally valid economic principles, after very superficial “familiarization” with the phenomenon being investigated.
42. What Hirschman calls the “failure complex” expressed, in Spanish, with the neologism *fracasomania* (Hirschman 1984).

Chapter 2

1. In 1995, Fernando Henrique Cardoso—then Finance Minister and afterwards President of the Federative Republic of Brazil for two terms—introduced the *Plano Real*, a plan aimed to curb prices (it can be useful to remember that between 1990 and 1995 inflation averaged 764 percent a year). In 1999 the exchange rate peg was abandoned, the currency allowed floating, and the Brazilian Central Bank was instructed to target inflation. In general, the reforms brought discipline to the government’s

finances and created a stable and predictable macroeconomic environment. The *Índice Nacional de Preços ao Consumidor Amplo*, IPCA (the National Consumer Price Index), which represents the inflation index used in the country, has continued to fall: it was 5.9 percent in 2008 and went down to 4.5 percent in July 2009. The Central Bank set an inflation target of 4.5 percent for both 2009 and 2010. As pointed out by the *Economist* (2009), stability has its own rewards: in 1993, inflation at one point hit 2,489 percent; today the main debate concerns whether the Central Bank's headline interest rates could decrease from 8.75 to 8.25 percent.

2. In some cases, whilst the advent of a model of territorial development—based essentially on a range of local actions and with no national coordination—has brought improvements, in others it has led to a general dispersion of resources. This model of development, in fact, seems to have increased the inequalities among the various Brazilian regions, hindering economic growth.
3. The term “nonstandard” denotes employment relations that, in one or more respects, differ from the type of work considered typical, that is regulated by a dependent, full-time, and permanent employment relationship.
4. The PNADs are a series of nationally representative household surveys conducted, more or less annually since 1971, by the IBGE. The survey is the main official Brazilian research instrument for the analysis of socioeconomic variation and trends. Since 1992, the questionnaire adopted by the survey has allowed separate identification of contract registration (*carteira de trabalho assinada*, i.e., the labor card) and social protection across an individual's main and supplementary jobs, as well as yielding detailed information on the type of employment and the size and activity of the business. PNAD surveys have been conducted annually with the exceptions of 1994 (because of austerity associated with the introduction of the *Plano Real*) and 2000, that is the year of the decennial census (Henley, Arabsheibani and Carneiro 2009).
5. Brazilian economists, sociologists, policy makers, and experts largely discussed the possible causes of the growth of formal or regular employment in 1999–2006. Many of these causes have already been quoted at the beginning of this chapter (GDP growth, mainly due to the exportations; credit expansion; end of the massive business restructuring which characterized the 1980s). Others cited factors were the diminished value of salaries in the formal or regular part of economy and some fiscal reforms that introduced tax reductions for small and medium size enterprises.
6. As said above, the employer must register the labor card. In the case of nonregistration, the worker can file suit against the employer at a Labor Tribunal.
7. Protected workers pay monthly contributions on a graduated scale up to a ceiling of 11 percent, with employers contributing a further 20 percent of

payroll. Membership of an institute provides a defined pension provision (with an upper ceiling), permanent disability benefits, and life insurance (survivor) benefits. Workers without social security institute membership qualify for a meager flat-rate old age pension equal to the minimum wage (Henley, Arabsheibani and Carneiro 2009).

8. Dismissal compensation is paid from the FGTS accumulated by every worker with a signed labor card. The employer contributes an amount equivalent to 8 percent of the employee's current monthly wage.
9. In order to quantify the spread of informal firms in the urban contexts at national level, the government commissioned a quantitative survey—called *Economia Informal Urbana*, ECINF (Urban Informal Economy)—from the IBGE. This longitudinal survey has been conducted at five-year intervals, to date in 1997 and 2003. The researchers have sought to measure the informal economy by assuming the economic activity criterion as their reference. In particular, they referred to the definition given to the informal economy in 1993 by the ILO. Accordingly, they mainly considered small production units (firms with up to five employees and self-employed workers), while they excluded from the survey informal workers (i.e., without the labor card), employed by firms with more than five employees; domestic workers; and all individuals making up the so-called street population, namely, homeless persons subsisting on earnings from the informal economy (IBGE 1997). As said in the first chapter, the preference for the measurement approach based on the economic status of the individual in conjunction with the characteristics of the employer (firms' size, for instance) has often coincided with the intent to highlight the role of informality in promoting entrepreneurship.
10. Values calculated on 2003 bases. In Brazil, law regulates the monthly minimum wage: in 2004 it was equal to R\$260. In 2005, the federal government raised it to R\$300. In 2004, \$1 was equal to R\$3.16, while 1 Euro was equal to R\$3.85.
11. Furthermore, Henley, Arabsheibani, and Carneiro (2009) used multiple regression analysis in order to assess the relations between different individual features and different measures of informality. Their analysis suggested various differences between men and women. For instance, informality in terms of employment in the entrepreneurial sector was rising among men; whereas there was evidence of an encouraging trend away from informality, measured by the absence of social security amongst women. Moreover, women had a relatively greater likelihood of being in the informal economy because they worked in small businesses.
12. Diverse terms are used in Latin America for the people who collect recyclable refuses: *pепенadores* in Mexico, *cartoneros* in Argentina, *moscas* in Peru. In Brazil they are called *catadores*, from the verb *catar*, which means to seek, to scour, to observe. They are also called *papeleiros*, that is who collect only paper materials. Here, for convenience, the terms *catadores* and *papeleiros* will

be used indifferently. For the same reason, the masculine ending of the term (*catador/catadores*) will be used to denote the category of these workers in general. However, it should be pointed out studies on urban garbage collectors report that many of them are women, albeit with significant differences among geographical zones.

13. In this book I have decided to include comments and information relative to the method used during the empirical fieldwork both in the “ethnographic reports,” which are included in the chapters 2, 3, and 4, and in the Appendix “A note on method,” which conclude the text.
14. Since the 1970s, the United Nations has organized a series of global conferences on the environmental question and its interdependencies with the other dimensions of development. During the United Nations Conference on the environment and development held in Rio de Janeiro in June 1992, the Agenda 21 was announced. This was a document defining actions to be taken at global level for sustainable cohabitation among economic development (which requires the increasingly large-scale use of environmental resources) and the preservation, self-sufficiency, and self-organization of the ecosystems in which human beings live. Agenda 21 also made explicit reference to the challenges raised, in terms of the environment, economic and social development, by the growth of the world’s cities. In 2002, during the United Nations Rio + 10 Conference held in Johannesburg, a first balance was drawn up on the results achieved since Agenda 21.
15. The degrowth is defined as an equitable downscaling of production and consumption that should be able to increase human well-being and enhance ecological conditions at local and global level. This idea is emerging as a response to the environmental, social and economic crisis. The paradigmatic proposition of degrowth is that human progress without economic growth (meant as GDP growth) is possible. According to Serge Latouche, one of the main thinkers of this approach, degrowth is not a concrete project but a keyword. “Society has been locked into thought dominated by progressivist growth economics; the tyranny of these has made imaginative thinking outside the box impossible. The idea of a contraction-based society is just a way to provoke thought about alternatives” (Latouche 2004).
16. In 2001, Brazil’s daily production of waste per inhabitant oscillated, on average, between 0.8 kg and 1 kg; in the same year, in Japan, an inhabitant produced a daily average of 1.1 kg of waste; in Italy 1.5 kg; in Canada 1.9 kg; and in the United States 3.2 kg. In the other developing countries, by contrast, the daily production of waste per inhabitant oscillated, on average, between 0.4 kg and 0.9 kg (CEMPRE 2002; Grimberg 2002).
17. CEMPRE is a nonprofit association founded in 1992 and supported by various Brazilian companies and multinationals operating in Brazil. The association advocates the integrated production, recycling and disposal of waste, promoting the development of integrated practices of urban solid waste recycling in the country’s urban areas.

18. Polyethylene-terefthalat (PET) is a plastic belong to the polyesters group. It is a derived material produced 100 percent with oil or natural gas. Approximately 1 kg of PET is obtained from around 1.9 kg of crude oil. Polyethylene-terefthalat is very light (a 1.5 liter bottle weighs around 40 grams), unbreakable, and 100 percent recyclable. The production of recycled PET from empty bottles requires 60 percent less energy than the production of new PET.
19. The importance in Latin America of “grassroots” movements in the improvement of living conditions and social change has been studied by many researchers. Hirschman (1979) has stressed that, in the 1970s in Brazil, the “grassroots” Catholic movement, known as the *Comunidades Eclesiais de Base* (CEB), expanded and played a significant role in the “opening up” of the Brazilian political system and in the return, first partial and then total, to the democratic regime.
20. In 1989, the tragic stories of destitute families struggling to survive on a large open-air dump situated on an island opposite the center of Porto Alegre were documented and denounced by the short film *Ilha das Flores*, directed by Jorge Furtado. The film received numerous national and international awards, among them the Silver Bear for the best short feature at the 1990 Berlin Film Festival. Two years later, the ILO included work on the open dumps among the activities with the worst living and working conditions in the world.
21. In that same year, the administrative elections were won by a leftist coalition denominated the *Frente Popular*, the largest party in which was the *Partido dos Trabalhadores* (PT). This coalition remained in office until the administrative elections held in October 2004. During the years of administration by *Frente Popular*, Porto Alegre acquired worldwide fame for its use of so-called participative budgeting. This is a political practice intended to create greater public participation in decisions concerning management of the city (for details see Genro and Souza 1997; de Sousa Santos 2005).
22. State law no. 9493 of 7 January 1992 defines the collection of sorted urban waste as an ecological activity of social importance and public interest. Law no. 9921 of 27 July 1993 states that the management of the solid urban waste is the exclusive competence of city administrations.
23. In the first ten months of 2004, job seekers in the city of Porto Alegre represented, on an average, around 14 percent of the economically active population (FEE 2004).
24. Whilst my work with organizations promoting microcredit schemes accidentally facilitated my first contacts with the *catadores*, less random was my choice of deepening my knowledge about this specific policy to support the most vulnerable sections of the population. Indeed, one of the main objectives of my initial research design was to observe social and economic practices that supported the subsistence of people excluded from the formal

circuit of the economy. My aim was to find schemes that sought to combine improved economic circumstances with the social inclusion of people operating mainly in the informal economy. In this regard, microcredit is one of the instruments that has proved best able to produce significant results in both economically supporting informal entrepreneurship and fostering processes of social inclusion (Novak 2005; Robinson 2001; Yunus 1998). In order to observe how this policy was implemented in everyday practice, I chose the city of Porto Alegre for my fieldwork, because, for around ten years, it had been the site one of the most successful microcredit projects undertaken in Brazil and Latin America as a whole (I refer to the *Portosol* community institution). Porto Alegre had also been one of the first Brazilian cities to launch an ambitious public “bankarization” and microfinance project addressed to the poorest and most marginalized segments the population. These schemes had been expressly wanted by the President of the Federal Republic of Brazil, Luiz Inácio Lula da Silva, who gave the two largest state-owned banks—the *Banco do Brasil* (BB), and the *Caixa Econômica Federal* (CEF)—the task of organizing the project throughout the country.

25. In what follows, I have given fictitious names—often ones very common in Brazil—to the people whom I met and interviewed.
26. *Portosol* was created in 1996 on the joint initiative of the local government and civil society associations: the *Prefeitura Municipal de Porto Alegre* (the city administration); the *Governo do Estado do Rio Grande do Sul* (the government of the State of Rio Grande do Sul); the *Associação de Jovens Empresários de Porto Alegre*, AJE POA (the Young Businesspersons’ Association of Porto Alegre); and the *Federação das Associações Empresariais do Rio Grande do Sul*, Federasul (the Confederation of the Employers’ Associations of Rio Grande do Sul). *Portosol* was set up to facilitate access to credit for small and micro businesses, either legally recognized or informal, which are unable to obtain traditional forms of credit because of restrictions and bureaucratic obstacles. The organization offers various financial products at interest rates lower than market ones. Between 1996 and July 2004, *Portosol* issued 65,554 loans at an average amount of R\$1,141. Some 33 percent of its clients (41 percent of them women) operated in the informal economy, while 67 percent were legally registered workers. One of the main aims of *Portosol* is to develop microcredit policies whilst also pursuing its own economic sustainability: its action is therefore not “paternalistic.” Crucial for the success of such policies are the credit agents, who work in close contact with entrepreneurs applying for microcredit and assess the “unconventional” guarantees frequently offered to obtain these small loans.
27. In the language commonly used by *catadores* the term *filé* (fillet) means the most sought-after type of recyclable waste: white paper and cardboard, neither dirty nor wet. The middlemen were generally prepared to pay a higher price for this type of material.

28. As said, at the time of my fieldwork (2004), \$1 was equal to R\$3.16, while 1 Euro was equal to R\$3.85. The monthly minimum wage, established by law, was R\$260; it was increased to R\$300 in 2005.
29. It was generally rather difficult to talk to the *carroceiros*. Although they declared themselves willing to speak about their work, they almost always refused to fix an appointment to do so. Hence, long waits, with uncertain outcomes, were necessary both to observe the behaviors and rituals of the *carroceiros* and to find opportunities to talk to them.
30. The other seven associations of recyclers that I visited during my fieldwork had already been in operation for several years. The *Novo Cidadão* Association was the only one of the 13 associations in Porto Alegre, which was less than one year old.
31. Emiliano was one of the main “gatekeepers” (Gobo 2001, 94) for the *Novo Cidadão* Association, and in fact he controlled organization of the entire group. Before entering the association, I had two meetings with Emiliano, during which I illustrated the objectives of my research. We had long conversations on various topics, among them the recycling of waste and Porto Alegre’s sorted garbage collection system. Unexpectedly, it was Emiliano who suggested that I join the association, because “it’s impossible to understand what a *catador* does if you don’t experience it at first hand,” he said. After few days, I realized that Emiliano probably believed that my presence in the association, and my presumed contacts with the local authorities, would be enhancing its visibility. These expectations created various interaction problems for me, especially during my first days in the association, because they hampered the group’s acceptance of my presence. Some days later, however, the initial misunderstanding was resolved when it became obvious that I had no contacts with the local authorities, and that it was impossible for me to promote the association towards the outside. But my daily presence at the association meant that Emiliano’s trust in me did not diminish when his initial expectations were dashed.
32. Difficulties testified by his stories of fleeing from the reception center on two occasions.
33. At the end of my period of work at the *Novo Cidadão* Association, I returned all the meager wages that I had earned to Rafael, the association’s “treasurer.”
34. *Coitadinho* translates roughly as wretch. In Brazil, the word is usually used to express commiseration.
35. Nonetheless, the share-out of the earnings from the sale of the sorted material was one of the moments when tensions most frequently arose among the recyclers. On two occasions, some members of the group complained about the frequent absences and excessively long breaks taken by other members of the association. I noticed a certain resentment towards Emiliano, accused of devoting too much time to developing the association toward the outside, neglecting his everyday work in the deposit.

36. Since 2002, the *Programa Fome Zero* has been one of the main social development projects promoted by President Lula. The explicit aim of the program is to eradicate hunger by enhancing the autonomy of all public and private bodies concerned with food safety, and involving, besides government agencies, also a greater number of civil society organizations. An enormous number of Brazilians will have been assisted by the program when it concludes: 9.3 million families, equal to around 44 million poor people living on less than \$1 a day. Despite some difficulties during the start-up phase, in 2003 schemes were launched in 2,238 municipalities, to the benefit of 1.9 million families (which received R\$72.5 a month to meet their dietary needs).
37. Emiliano—who had been present on the night of the quarrel between Rafael and Daniel—told me that Daniel had appeared late that night, visibly drunk, and threatening to set fire to the waste stored in the depot. After a brawl between Rafael and Daniel, it seems that Emiliano and Rafael had thrown Daniel out of the depot, telling him never to return.
38. As said, reconstruction of the occupational trajectories of the association's members showed that many of them had previously had jobs or worked in trades that gave them a decent standard of living. They were consequently not born into poverty but had lapsed into it.
39. The nickname “the German” is very common in Porto Alegre and throughout Rio Grande do Sul. It generally indicates people from interior zones of the State where there are large German settlements. In the late nineteenth and early twentieth centuries, various migratory waves from European countries—particularly Germany, Italy, and Portugal—moved into the Rio Grande do Sul, which today is the largest agricultural producer in Brazil. The German communities settled mainly in the most fertile and cultivable areas, and more than the others, preserved native usages and customs. Still today, on visiting many zones situated in the great belly of the State, one frequently comes across villages inhabited by farmers speaking a dialect consisting of a blend between Portuguese and German.
40. During my time in Porto Alegre, cardboard was purchased by middlemen at the price of 0.15 R\$/kg, white paper at 0.30 R\$/kg, aluminum at 1.9 R\$/kg, rigid plastic at 0.27 R\$/kg, and PET at 0.35 R\$/kg. However, I was unable to obtain sufficiently reliable information about the price of recyclable materials in the economic transactions among middlemen, and between them and the processing industry. The few available estimates report mark-ups of between 50 and 80 percent on the prices paid to *catadores* by middlemen.
41. The middlemen usually had depots in locations strategic for good commercial results: either at a short distance from the city center or in the great *vilas* (slums) surrounding Porto Alegre.
42. As the days passed, I worked less frequently at the depot. But even towards the end of my time there, my workmates repeated forms of behavior that,

during the period of “participant observation,” had been useful indicators of the level of my integration in the group: for instance, the same greetings from the group’s members at the work table every day; the small gestures of affection shown me by little Rubens when he briefly interrupted his play outside the depot; the fact that nobody used the yellow rubber gloves with my name written on them.

43. This area was part of the *Navegantes* district and was commonly called “the gateway to the city.”
44. In 2004 only some of the PIEC schemes had been completed; the deadline for achieving the program’s objectives had been fixed for 2008.
45. At the end of the 1980s, on the initiative, amongst others, of the *Organização de Auxílio Fraternal*, OAF (the Fraternal Help Organization) and the Brazilian Caritas, the *papeleiros* began to organize themselves. Created at the *Primeiro Congresso Nacional dos Catadores de Materiais Recicláveis* (the First National Congress of Garbage Collectors), held in 2001 in Brasília, was the committee of the national movement of recyclers. Formed by 25 heads of associations operating throughout Brazil, the committee assumed the task of coordinating the actions of the garbage collectors’ movement, the aim being to strengthen the role of existing associations and cooperatives and to promote their growth. It was essentially a movement, which worked to acquire more decent working conditions, and to encourage public debate on the social, economic, and environmental aspects connected to the recycling of solid urban waste.
46. The FARRGS played a major role—together with the *Coopamare* cooperative of São Paulo and the *Asmare*, association of Belo Horizonte—in the organization of two large congresses (the 2001 *Congresso Nacional dos Catadores* and the 2003 *Congresso Latino Americano dos Catadores*), attended by garbage collectors from 17 Brazilian States, other countries of South America, and Africa.
47. The area selected was a district of the city with a high density of *papeleiros*, and consequently called *vila dos papeleiros*.
48. When redistribution is the dominant form of integration, transactions among social actors tend to be regulated by formal (or better, legal-bureaucratic) rules issued by the political authority and aimed at achieving social, and political order. As a consequence, redistribution usually tends to serve only repressive purposes in areas where economic transactions predominantly take place outside the official economy and hence the system of legal rules.

Chapter 3

1. I refer mainly to the works of George Simmel, Max Weber and the “first Chicago School” (Anderson 1923; Cressey 1932; Thomas and Znaniecki

- 1927; Zorbaugh 1929), and of the “second Chicago School” (Hughes 1943; Whyte 1943).
2. As Giovanni Semi (2006) has well explained, since the 1970s, some American researchers have resumed a tradition of “urban ethnography,” reprising and, in many respects, updating the methods of the Chicago School. Urban ethnography has investigated urban reality and above all situations of marginality within it (Abbott 1997; Céfaï 2003; Fine 1995; Platt 1995).
 3. The persistence and, in many cases, the growth of informal economic activities even in the metropolises of the more industrially advanced countries has dispelled certain “myths” concerning informality: for instance, that the informal economy is a phenomenon restricted to the South of the world, that it is a form of residual and archaic economy bound to disappear, or that it is simply the resumption of traditional economic relations by workers who have migrated to large cities (Sassen 2007).
 4. Milton Santos has reprised and elaborated Geertz’s (1978) notions of the “firm-centered economy” and the “bazaar economy.” According to Santos, the upper circuit of the economy comprises the modern industry, which produces goods and services for export, large banks, and financial agencies. The lower circuit comprises all those commercial, productive and service activities, which are usually characterized by small size and lack of capital. Activities in the upper circuit employ sophisticated technology, while those in the lower circuit are labor intensive and use low-level and adapted technology. Although they are useful for defining the “pure forms” of the two circuits, there nevertheless exist numerous hybrid forms in reality. With regard to this topic, Santos argues that there exists a “bipolar,” not “dual,” economy. The two circuits, which constitute the economic systems of cities in the South of world, result from the same group of factors, which Santos labels with the expression “technological modernization.” Hence there is no dualism: the two circuits have the same origin; they derive from the same set of causes; and they are interconnected (Santos 1975, 55–56). These distinctions in some respects match the attempts made by the International Labor Organization (ILO) over the past 40 years to define the informal economy.
 5. The approach to the informal economy developed by Hernando de Soto has already been discussed in the Chapter 1. Suffice it here to recall that his systematic application of cost-benefits analysis to informal economic activities furnished an interpretation of informality, which countervailed the cultural and ethnic interpretations that had hitherto prevailed in Latin American.
 6. As regards informal trade, the ILD study showed that street traders made a substantial contribution to Lima’s economy. According to the ILD’s estimates, around 294,000 people directly depended on this activity, either as vendors or as their family members. In a sample examined by the 1985 survey, gross sales by street vendors were large: \$6.2 million a week and

approximately \$322.2 million a year. Despite great variability, gross sales returned a good profit: on an average, the per capita net profit from street trading was \$58 a month, 38 percent more than the minimum wage established by law, in the period during which the research was conducted (de Soto 1989).

7. Several studies—among them, Portes and Roberts (2004)—surveying the great changes during the 1990s in Latin America have noted that the liberalization and deregulation of markets (including the labor market) have fostered the development, especially in urban areas, of forms of “forced entrepreneurship” in the informal economy, but also in the criminal one.
8. The term *jibaro* conveys a stereotypical image of a ruggedly independent subsistence farmer who wears a straw hat, wields a wide machete, and squats on the packed-earth patio of his country home to receive visitors at the end of a hard day’s work in the field (Bourgois 1996, 50).
9. Philippe Bourgois—on investigating aspects of the drug economy and the street culture of the Puerto Rican drug dealers of East Harlem, New York—noted their tendency to attribute responsibility for the success or failure of their lives to themselves. This tendency can also be found at the opposite extreme of the economy—that is, in the formal, advanced, globalized, and high-financial economy: the expression “survival of the fittest” has often justified the increasing disparities of wealth that characterize the contemporary economic system and the spread of the “social Darwinism,” which has helped consolidate economic neoliberalism (James 2009).
10. I refer in particular to: Bromley (2000), Chant (1999), Cross (1998), Dewar and Watson (1990), Rodrigues (2008), Harrison and McVey (1997), ILO (2001), Jakobsen, Martins, and Dombrowski (2000), Jones and Varley (1994), Peattie (1980), Pinheiro Machado (2005), Ramires (2001), Sorj (1988), Tokman (1990).
11. In recent years, street commerce has grown to such a size and acquired such visibility in nearly all of Brazil’s cities that the term *camelotagem* has been coined to denote it. This neologism, like the term *camelôs*, derives from the French word *camelot* meaning hawker or peddler. The Houaiss Portuguese dictionary states that the word *camelô* has been part of the Portuguese-Brazilian lexicon only since 1975.
12. Estimates of the worldwide business in fakes vary widely, highlighting the difficulties of measuring this type of hidden economy. For instance, at the beginning of 2007, the World Customs Organization estimated that, in 2006, counterfeiting accounted for between 5 percent and 7 percent of global trade (equivalent to sales of \$512 billion). In the same year, the Organization for Economic Co-operation and Development (OECD), based on data furnished by the customs offices of the countries belonging to the OECD, estimated that, in 2005, the transnational trade in counterfeit and pirated goods amounted to around \$200 billion (OECD 2007).

13. Ciudad del Este has grown up along the banks of the Paraná River, close to the intersection among the borders of Paraguay, Brazil and Argentina.
14. Numerous road transport companies link Ciudad del Este with towns in Brazil. The main customers of these companies are the so-called *sacoleiros* (i.e., people who transport goods in large plastic bags), who travel to Ciudad del Este to purchase goods for resale in Brazil's popular markets or to the vendors at those markets. At the end of the 1990s, the Brazilian Federal Police introduced various measures to regulate "commercial tourism" between Paraguay and Brazil, besides intensifying border controls and tightening sanctions. In 2004, a *sacoleiro* was allowed to bring into Brazil a maximum of three bags of merchandise purchased in Paraguay (for a maximum expenditure of \$150). The adventurous journeys of the Brazilian *sacoleiros* to the frontier with Paraguay, their crossing of the Friendship Bridge, and their clashes with the police have become the subject of numerous stories among the street vendors, fuelling legends which extol the courage and recklessness of the *sacoleiros*. Rabossi (2001, 2004) has used an ethnographic approach to study commercial activities in Ciudad del Este. Using the same approach, Pinheiro Machado (2005, 2008) has investigated the informal economy and its manifold relations with the formal part along the China-Paraguay-Brazil route. For further information on the kinds of work tied to commercial activities on the frontier between Paraguay and Brazil see also Rodrigues (2008).
15. In 2004, the leading national Brazilian newspapers (*Jornal do Brasil*, *Folha de São Paulo* and *O Globo*) as well as the local newspapers (*Correio do Povo* and *Zero Hora* at Porto Alegre), frequently gave prominence to seizures of pirated products by the Brazilian federal police and to clashes between street traders and *sacoleiros*, on the one hand, and the police on the other.
16. For detailed historical reconstructions of the figure of the street vendor see also Ramires (2001), Zurru (2005).
17. *Praça XV de Novembro* is more commonly known to the inhabitants of Porto Alegre as *Praça XV*. This abbreviated form will be used hereafter.
18. *Praça da Alfandega*, a square close to *Praça XV*, is distinguished by the presence of a number of historic buildings, which today house important cultural institutions (the *Memorial do Rio Grande do Sul*, the *Centro Cultural Santander*, the *Museu Antropológico do Rio Grande do Sul* and the *Museu de Arte do Rio Grande do Sul*), and by a permanent crafts fair in a small park occupying part of the square.
19. According to reports at the time, in the first decade of the nineteenth century this square was popular because it was the location of a well-known *Casa Paraíso* (house of pleasure), from which it took its name (Franco 1998).
20. This figure was quoted during an interview with a representative of the *Secreteria Municipal da Produção, Indústria e Comércio*, SMIC (the Municipal Department of Trade and Industry). The same estimate has been made by Pinheiro Machado (2005).

21. In this case, the number of enrolments with the Porto Alegre street vendor trade union was given to me during an interview with Evaristo Mattos, general secretary of the SCAPA trade union.
22. According to these figures, the Porto Alegre street vendor trade union therefore represented almost solely the *camelôs*, that is, the traders working in the *camelódromo* and in possession of a municipal trading licence. In this regard, Evaristo Mattos repeatedly said during the interview that the trade union had tried to enrol traders operating outside the *camelódromo*.
23. The text maintains the distinction wanted by the street vendors of *Praça XV*: these will be denoted with the term *camelôs*, while other street vendors will be denoted with the more generic term of *ambulantes*.
24. These illegal hookups with the municipal electricity supply are called *gato* in the Brazilian-Portuguese street slang.
25. The *Chalé de Praça XV* is a kiosk constructed at the end on the nineteenth century in *art nouveau* style. It is today part of the city's historic heritage, and it has been converted into a bar-restaurant, which is very popular, especially in the early evening.
26. As said above, during the twentieth century, numerous great sociologists and anthropologists analyzed metropolitan areas and urban lifestyles. In particular, Georg Simmel—when discussing the general anonymity apparently intrinsic to urban reality, and which arose with the advent of modernity—wrote as follows:

The mental attitude of metropolitans toward one another we may designate, from a formal point of view, as reserve. If so many inner reactions were responses to the continuous external contacts with innumerable people as are those in the small town, where one knows almost everybody one meets, and where one has a positive relation to almost everyone, one would be completely atomized internally and come to an unimaginable psychic state. Partly this psychological fact, partly the right to distrust, which men have in the face of the touch-and-go elements of metropolitan life, necessitates our reserve. As a result of this reserve we frequently do not even know by sight those who have been our neighbors for years. And it is this reserve, which in the eyes of the small-town people makes us appear to be cold and heartless. Indeed, if I do not deceive myself, the inner aspect of this outer reserve is not only indifference but, more often than we are aware, it is a slight aversion, a mutual strangeness and repulsion, which will break into hatred and fight at the moment of a closer contact, however caused. (Simmel 1903, in Frisby and Featherstone 1997, 179–180)

27. Interestingly, the *Portosol* credit agent responsible for the central zone of the city was a young woman with a past as a street vendor. Once again evident was the importance of the credit agents working on the ground, with

their specific skills and knowledge, in all the phases of evaluating the economic activities supported by microcredit programs and therefore receiving microloans.

28. Also in this chapter, I have given fictitious names to the people whom I met and interviewed, often using the names most common in Brazil.
29. The term *caixinhas* denotes the irregular vendors possessing neither a municipal permit to occupy public ground nor a license to trade.
30. The *camelôs* use the expression *lei Obirici* (*Obirici* law) to refer to the fundamental principle regulating behavior in the *camelódromo* and, generally, informal street trading in Porto Alegre; the meaning of the *lei Obirici* is in fact “mind your own business.” *Obirici* was the name of the female protagonist of a legend of the *índios* tribe, which inhabited the area of present-day Porto Alegre. During my empirical research I observed how the *Obirici* law was frequently invoked by the *camelôs* in the *camelódromo* to justify behavior driven by overt economic rationality.
31. The *camelôs*, who worked at the stalls near to Neca’s, were regular customers of a very popular bar-restaurant located close to the *camelódromo*. During the day, some *camelôs* used the public toilets (on payment) in the municipal market building.
32. In Brazilian-Portuguese, especially spoken, the term *fulano* is used to refer to a generic person (it is equivalent to guy or dude in English).
33. During my first days in the *camelódromo*, Neca was almost the only person with whom I was able to converse. It was only after some time that the neighboring *camelôs* began to talk to me, in some cases inviting me to drink coffee at their stalls. However, I was never completely accepted. For example, Miguel—the boy who sold video games at the stall next to Neca’s—was always suspicious of me, and I never managed to talk with continuity to *camelôs* working in other parts of the *camelódromo*.
34. As said in previous chapters, Brazilian labor law stipulates that workers hired as dependent employees in the private sector must have a document named the *carteira de trabalho* (commonly called the *carteira assinada*—labor card) issued by the Federal Government, and which includes the personal details of the worker, his/her occupation, daily work schedule, and wage. There are *funcionários* with this labor card in the *camelódromo*, but they are few in number and have worked in their jobs for a long time.
35. The *sacoleiros* who purchased goods for third parties usually charged 15–25 percent of the value of the goods transported as commission.
36. The goods purchased in Ciudad del Este by the Brazilian street vendors fuel an economic circuit in which the formal and informal economies interweave. Besides the street vendors, the transport companies, and the shopkeepers of Ciudad del Este, there are many other actors involved in these economic transactions in different ways and to different extents: laborers who offer to deliver the merchandise purchased in Ciudad del Este (called *laranjas* in

Brazilian Portuguese); the *moto-taxi*, that is, owners of motorcycles who take street vendors and *sacoleiros* across the *Ponte da Amizade*; the *carrinheiros* who transport the goods; the hotelkeepers who sell board and lodging to the *sacoleiros*. Pinheiro Machado (2005, 2008) has well reconstructed the interweaving between the informal and formal economies at the border between Brazil and Paraguay. After accompanying a Porto Alegre *sacoleiro* on several journeys, the Brazilian anthropologist described how elements of tragedy and comedy intermingle in the experiences of these workers, producing popular legends which—as I too observed during my time in Porto Alegre—reinforced their sense of belonging to the community of the *camelôs*. Ivanildo D. Rodrigues (2008) has reconstructed the various phases in the activity of the Brazilian *sacoleiro* travelling to Paraguay to purchase goods for resale in the Brazilian street markets, highlighting the important changes—expected and otherwise—caused by the recent tightening of customs controls at the border.

37. My last months in Porto Alegre coincided with the elections of the city mayor. During the electoral campaign, the most charismatic *camelôs* often boasted of direct relations with candidates for the mayoral office. Some *camelôs* had joined the electoral committees of the main candidates, campaigning in the *camelódromo* and promising important benefits for street vendors if their candidate won.
38. Similar to snack bars, *lanchonetes* sell simple meals, fruit juices, coffee, and other beverages. They are usually very busy: Brazilians have the habit of dropping into a *lanchonete* at any hour of the day for a snack or a cup of coffee, or simply to converse with the other customers.
39. Numerous people in Porto Alegre deal illegally in so-called *vales-transportes*—that is, plastic tokens—which replace ordinary tickets for public transport. The municipality of Porto Alegre issues these *vales*, which cost less than normal tickets, to public employees, the elderly, and the disabled. However, this policy has bred a flourishing informal trade: recipients of *vales*, who for some reason do not want (or do not need) to use them, sell their *vales-transporte* to street vendors. The latter, called *valeiros*, then resell them at various points in the city at a price slightly below that of an ordinary ticket (R\$1.65 in 2004).
40. Once again, in what follows I shall employ the terms—that is, *ambulantes* and *caixinhas*—most commonly used by the street vendors of Porto Alegre to refer to those who did not work in the *camelódromo*.
41. The existence of a sort of “apprenticeship period” spent trading without a fixed pitch, often in the streets leading off the main thoroughfares in the city center, was confirmed by Evaristo Mattos, general secretary of the SCAPA.
42. However, the spatial organization of the pitches occupied by the *ambulantes* in the streets radiating out from *Praça XV* is disrupted by *caixinhas*. These constantly move from place to place, either to follow the pedestrian flow, or

to occupy spaces left free by other *ambulantes*, or to escape the attention of the city police and the SMIC agents.

43. In some of these cases, the pitch occupied by the young street vendor is managed by organized crime groups. Consequently, in practice, these young people are informally employed by criminal gangs.
44. Sweatshirts, T-shirts and oversized trousers, sneakers, and rap music are some of the symbols of the street culture that have become fashionable among young people of all classes in Brazil, as well as in many other countries of the South and the North of the world.
45. The unpredictability of Daniél's working days frequently made my research difficult. It was almost never possible to establish beforehand whether I would be able to observe Daniél at work. Consequently, there were several days when I had to walk around the street *Voluntários da Pátria* and the adjacent streets in the hope of encountering Daniél and being able to accompany him for the rest of the day. More generally, my field research on the *ambulantes* was also hampered by external factors, one of which was the weather. On rainy days, for example, some vendors stayed off the streets, devoting themselves to other activities, while others continued to work on the streets, but were usually disinclined to talk.
46. In street parlance, *muamba* and *bugiganga* denote all the goods handled by the vendors. The terms usually refer to items of small size: costume jewelry, household articles, toiletries, toys, and trinkets.
47. In this case, the recent "tertiarization" of the economy in many cities of the world seems to have coincided with a worsening of the working conditions of those occupying the lowest levels of the formal or regular economy, as well as reducing their job opportunities (for detailed analysis of the relations between changes in the urban economy and opportunities for the most marginalized members of the urban population see Bourgois 1996; Venkatesh 2006).
48. This certainty was only relative, however, because the municipal provision which allowed *ambulantes* to work in a specified area of the street *dos Andradas* between six and ten o'clock in the evening was only temporary.
49. The large structure that hosts the event is located in the suburbs of Porto Alegre and can be reached from the city center by light railway.
50. Attendance at the meeting of the *Comitê da Economia Informal* gave me a valuable opportunity to meet vendors attempting to self-organize in several areas of the city.
51. This name appears almost solely on maps of the city. For all the inhabitants of Porto Alegre, this large and popular park is known as the *Parque da Redenção* (Park of the Redemption). This latter denomination will be mainly used here.
52. During the years of the military dictatorship and those which followed, the *Parque da Redenção* and the streets surrounding it were the focal points of

popular protest and of youth counterculture (at one end of the park stand the old buildings of the state's largest public university, the *Universidade Federal do Rio Grande do Sul*). Still today, this zone is considered one of the city's bohemian areas, and the park is a symbolic place for the citizens of Porto Alegre to express freedom of speech (every Saturday, e.g., it is the site of the crowded *brique de la Redenção*, i.e., a market in which craftsmen, artists, farm cooperatives, and producers of fair-trade foods display their products). The park is also the venue for large political rallies and numerous musical and cultural events.

53. Over the years, the shopkeepers' association of Porto Alegre (SINDILOJAS) had frequently campaigned against street trading, and supported the measures to stop it taken by the city administration.
54. In Brazil, the term *fundo de quintal* generally means sweatshop. Its origin derives from its location: the *fundos de quintal* are located in the rear of houses.
55. Despite his health problems, Ricardo still had a passion for painting. He spray-painted aerographic images, which he occasionally sold at the *brique de la Redenção*.
56. The SCAPA trade union was not one of the promoters of the *Comitê da Economia Informal*. Its secretary, Mattos, had been invited only to the first meetings of the *Comitê* when representatives of the SMIC and of the city administration had been also invited.
57. The action of the previous head of the SMIC had provoked outright clashes between the street vendors and the city administration. The administration's "zero tolerance policy" on street trading had exacerbated social tensions which frequently erupted in violence.
58. As well argued by Douglass C. North (2005), the accumulation of human and financial capital may be a necessary condition, but not a sufficient one, for a process of economic development to come about. At minimum, such accumulation must be underpinned by a complementary and evolving "social scaffolding" able to support efficient networks of production and exchange.
59. Hirschman's (1970) conceptual scheme states that, when faced with specific problems, many people consider both exit and voice options, to the point that the decision to exit often prevails only by a narrow margin.

Chapter 4

1. Used here is the definition that Udehn (2001) and Barbera (2004) give to the institutional dimension as the set of rules and resources that determine exchange, interaction, coordination, and conflict among actors. The structural dimension instead comprises forms of interdependence among actors. "The union between the two creates the institutional structures which

- identify the concrete structures of interdependency among institutionally defined social positions” (Barbera 2004, 10).
2. This chapter contains the unpublished ethnographic account produced in 2001 almost in its entirety, although some additions and changes have been made, mainly to the first part and the conclusions.
 3. The recent emergence of a global mosaic of regional economies (Scott 2001) has resulted in a new spatial division of labor at world level which, despite the persistence of considerable inequalities between the North and South of the world, has induced some scholars to argue that the end of the Third World is nigh (Harris 1986). This claim points to the change and, in some respects, the decline of the political and ideological divisions which, for most of the period after the Second World War, divided the world’s economies between dependent, stagnant and underdeveloped ones, based on natural resources, and the prosperous economies of the developed countries, based on manufacturing.
 4. As stated in the previous chapter, the term *sacoleiro* denotes a particular type of “commercial agent” who purchases goods in one place and resells them in another. During my research in Porto Alegre, I had observed the *sacoleiros* who purchased goods for themselves, or on behalf of others, at Ciudad del Este (in Paraguay) and then resold them in the streets of Porto Alegre. In Nova Friburgo, instead, the *sacoleiros* bought the goods (items of underwear) in order to resell them in other Brazilian towns, some of them a long way from the point of purchase. The term *promotores* will also be used in the text: these are people (generally men) working on behalf of a firm and operating a network of door-to-door sellers (usually women) to retail the firm’s products in a specific geographical area. Generally, the *promotores* act as “commercial agents” for only one firms.
 5. The Nova Friburgo *sacoleiros* had begun to specialize in underwear only recently. This had enabled the systematic monitoring of quantitative and qualitative aspects of the phenomenon.
 6. As in previous chapters, I have given my informants and interviewees fictitious names, often choosing those most common in Brazil.
 7. Teresa and Januario would be of crucial importance for my research. It was thanks to their help that I identified certain distinctive features of the manufacture and retail of lingerie in Nova Friburgo; and they were the “cultural intermediaries” who brought me into contact with a group of *promotores*. I had met Teresa and Januario through mutual friends during my previous visits to Nova Friburgo, and I discussed my research with them at length to verify whether it was feasible. I have given the fictitious name of Blue Star to their firm.
 8. The *Receita Federal* is the Brazilian Federal Tax Authority.
 9. The *promotor* usually gave the door-to-door saleswomen a basic kit of articles consisting of seven or eight models of women’s knickers (divided into

packets of three pairs each), three or four models of brassieres, three models of men's underpants, two models of boy's underpants, two child's pajamas, tennis socks, short and long-sleeved shirts, and baby-dolls. Other articles could be added to this initial stock if the saleswomen requested them.

10. It is interesting that my traveling companions should take it for granted that this kind of door-to-door sales existed in Italy as well. I did not object to their proposed cover story because it would enable me to put questions to the saleswomen without having to worry much about my accent or errors in pronunciation and grammar.
11. Using the price lever to boost business would have reduced the profit margin on total monthly sales. The saleswomen who worked for the Blue Star *pro-motores*, for example, usually received 35 percent of the profit realized from sales.
12. In Brazil, there are tribunals, which deal specifically with labor disputes. Its judges are selected by public competitive examination. With rare exceptions, the Labor Tribunals adjudicate only labor disputes *strictu sensu*. Other disputes are adjudicated by the ordinary courts, which are generally slower and less sensitive to the reality of conflicts concerning employment relationships (Viana 2004).
13. In practice, income support measures consist solely of unemployment benefit, which is paid for four months for every continuous 16-month period of contributions.
14. In 2001, the monthly minimum wage—defined by law—was fixed at R\$180. As stated in previous chapters, in 2005 the monthly minimum wage was fixed at R\$300.
15. The *Consolidação Leis do Trabalho*, CLT (the Brazilian Labor Code), stated that if a group of workers (or employers) wanted to form an interests' organization, they had first to organize themselves into a preunion association. If there was more than one union in a specific productive branch (or category), the Ministry of Labor selected the one that it deemed most representative, issuing it with a "certificate of recognition."
16. According to the CLT, workers and firms had to be classified into rigid categories, the one "corresponding" to the other: the category to which the firm belonged was defined by its area of activity; that of the workers by the category of the firm. Change to the categories could only be made by the Ministry of Labor (Viana 2004).
17. For instance, all trade unions may still today levy from workers and entrepreneurs, enrolled with them or otherwise, an annual contribution called the union "tax".
18. In the case of fixed-term contracts, the worker can withdraw the sum set aside but is not entitled to the 40 percent increment. In the case of voluntary resignation or dismissal for just cause, the sum remains in the fund and can be withdrawn only in particular circumstances, such as attainment of pensionable age or the worker's death.

19. As noticed Barros and Corseuil (2001), the system can encourage employers and employees to register voluntary quits as dismissals. This is because contributions to the FGTS are held in a separate fund and are sunk cost to the employer, who has nothing to lose in helping the employee gain access to his or her accumulated FGTS contributions.
20. Various episodes (both at work and in the “hostel”) signaled my progressive integration into the group. For instance, I played football for the team of the young “hostel” residents, who every week challenged the team of the older residents; and I was invited together with my work companions to some neighborhoods’ private parties.
21. Although I had now got largely used to the customs of the *promotores*, I continued to be surprised at the method they used to summon the occupants of the houses that they visited. Because these were usually the humblest of dwellings, and therefore did not have a doorbell to attract the attention of the occupant, they would clap their hands at the front door and shout “*dona Maria*”—what other name if not Maria?—until someone came out to see who was calling.
22. Differently from my workmates, my rest week came after eight weeks of work, not after the usual four.
23. *Saudade* is a term that derives first from Portuguese and then from Brazilian culture. It denotes a form of melancholy, an emotion similar to nostalgia.

Chapter 5

1. In these cases, the term “informal economy” has been used to denote economic activities undertaken externally to the regulatory systems imposed by the state and institutions which usually govern activities similar to informal ones in the formal economy.
2. Thus taking the path marked out by Peter L. Berger and Thomas Luckmann (1966) in their famous introduction to *The Social Construction of Reality*.
3. Karl Polanyi contrasted the “substantive meaning” of the economy—which refers to how humans make a living from their social and natural environment—with the “formal meaning” of the economy, which derives from the means-ends relation, and refers to economics as the logic of rational action, as rational choice between the alternative uses of limited means (Polanyi 1977).
4. Alejandro Portes and Saskia Sassen (1987) have illustrated the linkages between the informal and formal economies with a scheme similar to Figure 5.1. They refer to various examples of informal activities in urban contexts in the most industrialized countries. Their scheme highlights some of the most common ways in which informality links with the formal or regular economy in practice.

5. In the study on the garbage collectors of Porto Alegre I decided to omit the subject “waste consumer-producer,” although this actor too is part of the urban waste collection, sorting, disposal, and recycling chain.
6. As mentioned in the first chapter, according to Saskia Sassen (2007), two parallel processes—one of deregulation, the other of “informalization”—characterized the globalization. These two processes have especially affected the uppermost and lowermost levels of today’s urban economies, accentuating the polarization of firms and households, and altering the geography of center and periphery at the urban level, but also at the transnational one.
7. Unlike in the more industrially advanced countries, in Latin America the crisis of the model of economic and social development, that prevailed until the 1970s in large parts of the Western world, occurred at a time when the construction of a “wage society,” based on high rates of economic growth and a strong welfare state, was still far from accomplished.
8. However, the prevalence of the market, or the exchange form, did not exclude the simultaneous presence of other regulatory principles. From an operational point of view, moreover, the market proved to be a less exclusive production and exchange regulating mechanism than might be expected.
9. The concept of “social dissociation” (the opposite of social cohesion) has been formulated by Robert Castel (2004) with reference to particular situations of insecurity similar in many respects to those of the nineteenth-century proletarians condemned to permanent precariousness and unable to exercise the slightest control over what happened them. In general, “social dissociation,” “corrosion of character,” or “fragilization of the personality” are considered among the features most distinctive of the contemporary societies, consequently termed “individualized,” “risk,” “uncertainty,” or “insecurity” societies (Bauman 2000; Beck 1992; Castel 2004).
10. As pointed out in the first chapter, various scholars consider the concept of “circuits of commerce” of particular promise in understanding specific economic transactions. In the definition given by Viviana Zelizer, “circuits of commerce” have properties similar to those of networks, but differ from them as well. In general, they seem mostly to resemble the systems of shared resources described by Elinor Ostrom (1990). Interestingly, both the “circuits of commerce” concept and Karl Polanyi’s model treat transactions as processes.
11. The notion of “circle of recognition,” developed by Alessandro Pizzorno (2007, 146), may aid understanding the redefinition of claims and actions by the garbage collectors’ associations. According to Pizzorno, the observer must start “from the hypothesis that the subject acts by imagining the circle of recognition that could value his choices” (2007, 149). Pizzorno, drawing on an essay by Loredana Sciolla (2000), considers recognition as having “a double effect on the person: identification by others; and individuation in the relationship of self-recognition by the person him/herself” (2007, 189). Once again it is evident that minute analysis of specific phenomena can

favor the use of different interpretative tools. In the case of fragmented social phenomena like the informal economy, a richer interpretative “tool-box” can certainly yield a more satisfactory representation and understanding of reality.

12. Empirical analysis has evidenced how, in certain cases, an individual actor can be the principal agent of change. In general, gaining more detailed knowledge of the economic, social, and cultural configurations of the diverse types of informality, and of their latent resources, can assuredly improve analysis of the phenomena studied. However, better analysis is not sufficient to generate change that ameliorates the conditions of informal workers. The empirical studies conducted in Itapetininga, Nova Friburgo, and Porto Alegre highlighted how the virtuous use of some of the resources present in the informal economy often depends on a complex mix of individual and institutional factors, and on their effects. In this regard, as well explained by Douglass C. North (2005), there is no preestablished formula for achieving development. In order to realize change in a particular economic and social environment, therefore, it becomes all the more necessary to determine the distinctive features of that environment.
13. In some contexts characterized by widespread vulnerability and extreme marginality, it is not novel to examine forms of bottom-up development to identify the development paths followed by a country. More than 20 years ago, Hirschman argued that particular attention should be paid to “grassroots development,” especially in the industrially weaker countries. His proposal was also a reaction against the general “worship” of GDP and the growth rate, viewed as the only magnitudes with which to measure a country’s economic and human advancement (a tendency, in certain respects, still valid today). Upon completion of a survey on 45 Latin American grassroots initiatives, Hirschman concluded that the presence of the dense network of “grassroots movements” could make social relations more altruistic and less private, thereby contributing to improve the circumstances of the poorest strata of the population (Hirschman 1984). In a democratic state, according to the Author, this sort of social mobilization could lead to active exchanges and bargaining among voters, parties, candidates for office, and elected representatives, and therefore to a more vital interaction between the apex and the base. Moreover, he underlined that, in certain contexts, the poor, by organizing themselves into collective economic forms, had increased their ability to influence the political authorities (primarily local, but also national), besides simplifying reciprocal learning, shared projects, and exchanges.

Appendix

1. Besides “participant observation,” I also used both documentary analysis and the semistructured interview, combining these different and complementary research techniques in various ways.

2. Emiliano was not particularly disconcerted when his initial expectations were not fulfilled. When he realized that I had no contacts with the local public authorities, he repeatedly asked me to accompany him to public events, where he introduced me to people working for the public administration or for private firms involved in activities to support the waste recyclers.
3. Showing that I was unable to do the tasks assigned me—and therefore that I needed my workmates to help me learn what to do—also facilitated my entry into the other groups of workers observed at Itapetininga and Porto Alegre.
4. Given their role in the group, *dona* Teresa and Emiliano can be termed “gatekeepers” (Gobo 2001).
5. This was a technique known in ethnography as “backtalk.” This term denotes the set of “native” observations and comments concerning the relations observed and the observer’s interpretations of them.
6. On several occasions, for example, our conversations were interrupted by the arrival of a load of waste to be sorted. Moreover, absences from work often interfered with interactions, so that it took some time to resume the conversations thus suddenly cut short.
7. Although my entry into this social setting was unsatisfactory in various respects, the fact that I was noticed in the *camelódromo* caused me problems in interacting with the street vendors working outside it.
8. In the case of the street vendors, unlike those of the *catadorese* of Porto Alegre and the *promotores* of Itapetininga, it was difficult to write notes with certain continuity during the day. Consequently, I used the evenings and the rainy days, not spent with the *ambulantes*, to write up and organize my ethnographic notes.
9. On the different positions taken up in the debate on the criteria with which to evaluate the plausibility of ethnographic discourse, see Altheide and Johnson (1994), Cardano (2001), Hammersley (1992), and Madison (1988).
10. By “reflexive account” is meant a description of the research process, of the observer-observed relationship, and of that relationship’s evolution over time. It therefore includes description of the ethnographer as both observer and observation instrument (Altheide and Johnson 1994). A reflexive account must also state the theoretical assumptions that have guided the observation, and of the strategies used to interpret the empirical material.

Bibliography

- Abbott, A. 1997. Of Time and Space: The Contemporary Relevance of the Chicago School. *Social Forces* 75 (4): 1149–1182.
- Accornero, A. 2006. *San Precario lavora per noi*. Milano: Rizzoli.
- Ahumada, H., F. Alvaredo and A. Canavese 2008. The Monetary Method to Measure the Shadow Economy: The Forgotten Problem of the Initial Conditions. *Economics Letters* 101: 97–99.
- Altheide, D. L., and J. M. Johnson 1994. Criteria for Assessing Interpretive Validity in Qualitative Research. In Denzin, N. K., and Y. S. Lincoln, eds. *Handbook of Qualitative Research*. London: SAGE.
- Alva, E. N. 1997. *Metrópoles (in)sustentáveis*. Rio de Janeiro: Relume Dumará.
- Alves, G. 2000. *O novo (e precário) mundo do trabalho: reestruturação produtiva e crise do sindicalismo*. São Paulo: Boitempo.
- Anderson, N. 1923. *The Hobo*. Chicago: Chicago University Press.
- Antunes, R., ed. 2006. *Riqueza e miséria do trabalho no Brasil*. São Paulo: Boitempo.
- Azevedo, A., and L. Faria 2006. Business Networks in Small Textile Enterprises: The Case of Nova Friburgo-Brazil. *IFIP International Federation for Information Processing* 220: 149–156.
- Bacchetta, M., E. Ekkehard, and J. P. Bustamante, eds. 2009. *Globalization and Informal Jobs in Developing Countries*. Geneva: ILO and WTO.
- Backs Martins, C. H. 2003. *Trabalhadores na reciclagem do lixo: dinâmicas econômicas, socio-ambientais e políticas na perspectiva de empoderamento*. Porto Alegre: UFRGS.
- Bagnasco, A. 1985. *Tre Italie: la problematica territoriale dello sviluppo italiano*. Bologna: Il Mulino.
- , ed. 1986. *L'altra metà dell'economia. La ricerca internazionale sull'economia informale*. Napoli: Liguori.
- 1999. *Tracce di comunità*. Bologna: Il Mulino.
- Bangasser, P. E. 2000. The ILO and the Informal Sector: An Institutional History. Employment paper 2000/9. Geneva: ILO.
- Barbera, F. 2004. *Meccanismi sociali*. Bologna: Il Mulino.
- Bauman, Z. 2000. *Liquid Modernity*. Oxford, Malden: Blackwell.

- Becattini, G. 1987. *Mercato e forze locali: il distretto industriale*. Bologna: Il Mulino.
- . 2000. *Dal distretto industriale allo sviluppo locale: svolgimento e difesa di un'idea*. Torino: Bollati Boringhieri.
- Beck, U. 1992. *The Risk Society: Towards a New Modernity*. London: SAGE.
- . 2004. Se i posti di lavoro emigrano. *La Repubblica*, December 24.
- . 2006. I giovani superflui delle periferie. *La Repubblica*, January 3.
- Becker, H. S. 1998. *Tricks of the Trades. How to Think about Your Research While You're Doing It*. Chicago: The University of Chicago Press.
- Berger, P. L., and T. Luckmann 1966. *The Social Construction of Reality*. New York: Doubleday and Co.
- Berger, S. 2005. *How We Compete: What Companies around the World are Doing to Make it in Today's Global Economy*. New York: Random House Inc.
- , and R. Dore, eds. 1998. *Differenze nazionali e capitalismo globale*. Bologna: Il Mulino.
- Boito, A. 1999. *Politica néolibéral e sindacalismo no Brasil*. São Paulo: Xamã.
- Bourdieu, P. 1972. *Esquisse d'une théorie de la pratique*. Geneva: Seuil.
- Bourgois, P. 1996. *In Search of Respect. Selling Crack in El Barrio*. Cambridge: Cambridge University Press.
- Braudel, F. 1985. *La dynamique du capitalisme*. Parigi: Arthaud.
- Breusch, T. 2005. Estimating the Underground Economy using MIMIC Models. The Australian National University. <http://econ.unimelb.edu.au/SITE/workshops/Breusch.pdf>. Accessed on December 4, 2008.
- Bromley, R. D. F. 1998. Market-place Trading and the Transformation of Retail Space in the Expanding Latin American City. *Urban Studies* 35: 1311–1333.
- . 2000. Street Vending and Public Policy: A Global Review. *International Journal of Sociology and Social Policy* 20: 1–29.
- , and P. K. Mackie 2009. Displacement and the New Spaces for Informal Trade in Latin American City Centre. *Urban Studies* 46 (7): 1485–1506.
- Cacciamali, M. C. 1992. *A economia informal 20 anos depois*. Porto Alegre: FEE.
- . 2004. Política social e reforma laboral no Brasil. Os desafios dos sindicatos sob o governo Lula. Paper presented during the Colóquio, Régulation sociale et développement. Spécificités et enseignements du cas brésilien. Institut de Recherche Interdisciplinaire en Socio-économie. Paris, September 27–28.
- Cagan, P. 1958. The Demand for Currency Relative to the Total Money Supply. *The Journal of Political Economy* 66 (4): 303–328.
- Caillé, A., ed. 2003. L'alter-économie. *Revue du Mauss* 21.
- Calandra, B. 2000. *Le strategie del sommerso*. Roma: Edizioni Lavoro.
- Calvino, I., ed. 1969. *La lettura. Antologia per la scuola media*. Bologna: Zanichelli.
- . 1972. *Le città invisibili*. Torino: Einaudi.
- Capecchi, V. 1989. The Informal Economy and the Development of Flexible Specialization in Emilia-Romagna. In Portes, A., M. Castells, and A. L. Benton,

- eds. *The Informal Economy: Studies in Advanced and Less Developed Countries*. Baltimore: The Johns Hopkins University Press.
- Cappelli, S., ed. 2002. *Resíduos sólidos*. Porto Alegre: Procuradoria Geral de Justiça.
- Cardano, M. 2001. Etnografia e riflessività. Le pratiche riflessive costrette nei binari del discorso scientifico. *Rassegna Italiana di Sociologia* XLII (2): 173–204.
- 2003. *Tecniche di ricerca qualitativa*. Roma: Carocci.
- Castel, R. 1995. *Les metamorphoses de la question sociale: une chronique du salariat*. Paris: Fayard.
- 2004. *L'insicurezza sociale*. Torino: Einaudi.
- Castells, M. 2000. *The Rise of the Network Society*. Oxford: Blackwell Publishers.
- Cattani, A. D., ed. 2003. *A outra economia*. Porto Alegre: Veraz Editores.
- Cavalcanti Lorenzetti, C. 2003. *Micro usina de reciclagem de plasticos da Restinga*. São Paulo: Polis.
- Céfaï, D., ed. 2003. *L'enquête de terrain*. Paris: La Découverte.
- Cella, G. P. 1997. *Le tre forme dello scambio*. Bologna: Il Mulino.
- CEMPRE 2002. *Lixo Municipal: Manual de Gerenciamento Integrado*. São Paulo: CEMPRE.
- 2005. *O Sucateiro e a Coleta Seletiva*. São Paulo: CEMPRE.
- 2007. *Informa*. Boletim Bimestral. São Paulo: CEMPRE.
- CEPAL, PNUD, and OIT 2008. *Emprego, desenvolvimento humano e trabalho decente: a experiência brasileira recente*. Brasília: CEPAL/PNUD/OIT.
- Chant, S. 1999. Informal Sector Activity in the Third World City. In Pacione, M., ed. *Applied Geography: Principles and Practice*. London: Routledge.
- Charmes, J. 2000. Informal Sector, Poverty and Gender: A Review of Empirical Evidence. Background paper for World Development Report 2001. Centre of Economics and Ethics for Environment and Development, University of Versailles-St Quentin en Yvelines.
- Chen, M. A. 2005. Rethinking the Informal Economy. Research Paper 2005/10. Harvard University.
- 2006. Rethinking the Informal Economy: Linkages with the Formal Economy and the Formal Regulatory Environment. In Guha-Khasnobis, B., R. Kanbur, and E. Ostrom, eds. *Linking the Formal and Informal Economy*. New York: Oxford University Press.
- Coase, R. 1937. The Nature of the Firm. *Economica* 4 (16): 386–405.
- Coleman, J. 1990. *Foundations of Social Theory*. Cambridge: The Belknap Press of Harvard University Press.
- Collins, R. 2000. *The Sociology of Philosophies: A Global Theory of Intellectual Change*. Cambridge, MA: Belknap Press.
- Colombo, E. 2001. Etnografia dei mondi contemporanei. Limiti e potenzialità del metodo etnografico nell'analisi della complessità. *Rassegna Italiana di Sociologia* XLII (2): 205–230.

- Commission on Sustainable Development-UN 1997. Environmentally Sound Management of Solid Wastes and Sewage-Related Issues. <http://daccessdds.un.org/doc/UNDOC/GEN/N97/017/28/PDF/N9701728.pdf?OpenElement>. United Nations. Accessed on September 8, 2005.
- Coraggio, J. L. 1994. Del sector informal a la economía popular. Alternativas populares de desarrollo social. *Nueva Sociedad* 131: 118–131.
- Cressey, P. G. 1932. *The Taxi-Dance Hall. A Sociological Study in Commercialized Recreation and City Life*. Chicago: University of Chicago Press.
- Cross, J. C. 1998. *Informal Politics. Street Vendors and the State in Mexico City*. New York: Cambridge University Press.
- Da Matta, R. 1978. O officio do etnólogo, ou ter Antropological Blues. *Boletim do Museu Nacional*.
- Dagnino, R. 2004. Um olhar geográfico sobre a questão dos materiais recicláveis em Porto Alegre: sistemas de fluxos e a (in)formalidade, da coleta à comercialização. <http://www.br.monografias.com/trabalhos/materiais-reciclaveis/materiais-reciclaveis.shtml>. Accessed on November 13, 2009.
- Davies, R. 1979. Informal Sector or Subordinate Mode of Production? A Model. In Bromley, R., ed. *Casual Work and Poverty in Third World Cities*. New York: John Wiley and Sons.
- De Barros, R. P., and C. H. Corseuil 2001. The Impact of Regulations on Brazilian Labor Market Performance. Research Network Working Paper R-427. Inter-American Development Bank.
- De Soto, H. 1989. *The Other Path*. New York: Basic Book.
- 2001. *Il mistero del capitale*. Milano: Garzanti.
- 2006. La via occidentale per lo sviluppo dei paesi poveri. *Il Sole 24Ore*. January 2.
- De Sousa Santos, B., and C. A. Rodríguez-Garavito, eds. 2005. *Law and Globalization From Below: Towards a Cosmopolitan Legality*. New York: Cambridge University Press.
- Delevati, D. 2002. A produção de resíduos sólidos na região da Bacia Hidrográfica do Rio Pardo. Paper presented during the Seminário regional de educação ambiental: Lixo e sustentabilidade. EDUNISC.
- Dewar, D., and V. Watson 1990. *Urban Markets: Developing Informal Retailing*. London: Routledge.
- DIEESE 2000. Situação do salário mínimo. <http://www.dieese.org.br>. Accessed on March 13, 2005.
- DMLU 2000. Coletas. <http://www2.portoalegre.rs.gov.br/dmlu>. Accessed on April 28, 2005.
- Dore, R. 1990. *Bisogna prendere il Giappone sul serio: saggio sulla varietà dei capitalismi*. Bologna: Il Mulino.
- 2005. *Il lavoro nel mondo che cambia*. Bologna: Il Mulino.
- Dufy, C., and F. Weber 2007. *L'ethnographie économique*. Paris: La Découverte.
- ECLA 2000. América Latina y el Caribe: crecimiento económico sostenido, población y desarrollo. <http://www.eclac.cl>. Accessed on May 6, 2005.

- Economist (the) 2009. A Special Report on Business and Finance in Brazil. *Economist*, November 14–20.
- European Commission (EC) 2007. *Stepping up the Fight against Undeclared Work*. Brussels: European Commission.
- FARRGS 2003. *Plano de ações 2004–2005*. Porto Alegre: FARRGS.
- Fedozzi, L. 1997. *Orçamento participativo: reflexões sobre a experiência de Porto Alegre*. Rio de Janeiro: Fase/Ippur.
- FEE 2004. Pesquisa de emprego e desemprego sobre o mercado de trabalho na região metropolitana de Porto Alegre. November.
- Feige, E. L. 1990. Defining and Estimating Underground and Informal Economies: The New Institutional Economics Approach. *World Development* 18 (7): 989–1002.
- Fine, G. A., ed. 1995. *A Second Chicago School? The Development of a Postwar American Sociology*. Chicago: Chicago University Press.
- Firth, R. 1965. *Primitive Polynesian Economy*. Londra: Watts.
- Fourastié, J. 1979. *Les Trente Glorieuses ou la révolution invisible de 1946 à 1972*. Parigi: Hachette.
- Franco, S. 1998. *Guia histórico de Porto Alegre*. Porto Alegre: Da Universidade.
- Frota, L. 2007. *Securing Decent Work and Living Conditions in Low-Income Urban Settlements by Linking Social Protection and Local Development: A Review of Case Studies*. Geneva: ILO.
- Furtado, C. 1970. *La formazione economica del Brasile*. Torino: Einaudi.
- 1972. *Teoria dello sviluppo economico*. Bari: Laterza.
- Gaiger, L. 2001. Virtudes do trabalho nos empreendimentos econômicos solidários. *Revista latinoamericana de estudios del trabajo* 7 (13): 191–212.
- Gallino, L. 2001. *Il costo umano della flessibilità*. Roma-Bari: Laterza.
- Galvão, A. 2004. A reforma sindical no governo Lula: mudança ou continuidade. In Borges, A., ed. *A reforma sindical e trabalhista no governo Lula*. São Paulo: Anita Garibaldi.
- Gasparini, L., and L. Tornarolli 2006. *Labor Informality in Latin America and the Caribbean: Patterns and Trends from Household Survey Microdata*. Washington, D.C.: World Bank.
- Geertz, C. 1963. *Peddlers and Princes: Social Development and Economic Change in Two Indonesian Towns*. Chicago: University of Chicago Press.
- 1973. *The Interpretation of Cultures*. New York: Basic Books.
- 1978. The Bazaar Economy: Information and Search in Peasant Marketing. *American Economic Review* 68 (2): 28–32.
- , H. Geertz, and L. Rosen 1979. *Meaning and Order in Moroccan Society: Three Essay in Cultural Analysis*. Cambridge: Cambridge University Press.
- Genro, T., and U. Souza 1997. *Orçamento participativo. A experiência de Porto Alegre*. São Paulo: Fundação Perseu Abramo.
- Germani, G. 1971. *Sociologia della modernizzazione. L'esperienza dell'America Latina*. Bari: Laterza.

- Gershuny, J. 1979. The Informal Economy. *Futures* 11 (1): 3–15.
- Gerxhani, K. 2004. The Informal Sector in Developed and Less Developed Countries: A Literature Survey. *Public Choice* 120: 267–300.
- Gherzi, E. 1997. The Informal Economy in Latin America. *Cato Journal* 17 (1). <http://cdi.mecon.gov.ar/biblio/docolec/dp2220.pdf>. Accessed on March 1, 2005.
- Globo, 1958. *Comércio ambulante: pitoresco e abusivo*. April.
- Gobo, G. 2001. *Descrivere il mondo: teoria e pratica del metodo etnografico in sociologia*. Roma: Carocci.
- Goffman, E. 1989. On Fieldwork. *Journal of Contemporary Ethnography* 18 (2): 124–132.
- Grabiner, L. 2000. *The Informal Economy*. London: HM Treasury.
- Granovetter, M. 1995. The Economic Sociology of Firms and Entrepreneurs. In Portes, A., ed. *The Economic Sociology of Immigration: Essays on Networks, Ethnicity, and Entrepreneurship*. New York: Russell Sage Foundation.
- Grimberg, E. 2002. *Propostas para o Problema dos Resíduos Sólidos Domiciliares*. São Paulo: Instituto Polis.
- Grossman, G. 1977. Informal Person Incomes and Outlays of the Soviet Urban Population. In Portes, A., M. Castells, and A. L. Benton, eds. *The Informal Economy: Studies in Advanced and Less Developed Countries*. Baltimore: The Johns Hopkins University Press.
- Guha-Khasnobis, B., R. Kanbur, and E. Ostrom, eds. 2006. *Linking the Formal and Informal Economy*. New York: Oxford University Press.
- Gunder Frank, A. 1971. *Capitalism and Underdevelopment in Latin America*. New York: Monthly Review Press.
- Gutman, P. 1982. *Problemas y perspectivas ambientales de la urbanización en América Latina*. Buenos Aires: Clacso/Cifca.
- Hammersley, M. 1992. *What's Wrong with Ethnography? Methodological Explorations*. London: Routledge.
- Harris, J., and M. Todaro 1970. Migration, Unemployment and Development: A Two-Sector Analysis. *American Economic Review* 60 (1): 126–142.
- Harris, N. 1986. *The End of the Third World: Newly Industrializing Countries and the Decline of an Ideology*. London: Penguin Books.
- Harrison, M., and C. McVey 1997. Conflict in the City: Street Trading in Mexico City. *Third World Planning Review* 19: 313–326.
- Hart, K. 1973. Informal Income Opportunities and Urban Employment in Ghana. *Journal of Modern African Studies* 11 (1): 61–89.
- 1990. The Idea of Economy: Six Modern Dissenters. In Friedland, R., and A. F. Robertson, eds. *Beyond the Marketplace: Rethinking Economy and Society*. New York: Aldine de Gruyter.
- 2006. Bureaucratic Form and the Informal Economy. In Guha-Khasnobis, B., R. Kanbur, and E. Ostrom, eds. *Linking the Formal and Informal Economy*. New York: Oxford University Press.

- Havinga, I., and V. Vu 2005. Informal Sector in the 1993 System of National Accounts. Paper prepared for the UNSD/ESCAP Workshop on the 1993 SNA Update. Bangkok, April.
- Henley A., G. R. Arabsheibani, and F. G. Carneiro 2009. On Defining and Measuring the Informal Sector: Evidence from Brazil. *World Development* 37 (5): 992–1003.
- Hirschman, A. O. 1958. *The Strategy of Economic Development*. New Haven: Yale University Press.
- 1961. Ideologies of Economic Development in Latin America. In Hirschman, A. O., ed. 1971. *A Bias for Hope. Essays on Development and Latin American*. New Haven: Yale University Press.
- 1963. *Journey toward Progress: Studies of Economic Policy-Making in Latin America*. New York: Twentieth Century Fund.
- 1967. *Development Projects Observed*. Washington, D.C.: The Brookings Institution.
- 1968. The political Economy of Import-Substituting Industrialization in Latin America. *The Quarterly Journal of Economics* LXXXII (1): 1–32.
- 1970. *Exit, Voice, and Loyalty. Responses to Decline in Firms, Organizations, and States*. Cambridge: Harvard University Press.
- 1971. *A Bias for Hope. Essays on Development and Latin American*. New Haven: Yale University Press.
- 1972. The Search of Paradigms as a Hindrance to Understanding. In Uphoff, N. T., and W. F. Ilchman, eds. *The Political Economy of Development*. London, England: The University of California Press.
- 1979. The Turn to Authoritarianism in Latin America and the Search for its Economics Determinants. In Collier, D., and F. H. Cardoso, eds. *The New Authoritarianism in Latin America*. United Kingdom: Princeton University Press.
- 1984. A Dissenter's Confession: Revisiting the Strategy of Economic Development. In Meier, G. M., and D. Seers, eds. *Pioneers in Development*. Oxford: Oxford University Press.
- 1987. The Political Economy of Latin American Development: Seven Exercises in Retrospection. *Latin American Research Review* 22 (3): 7–36.
- 1998. *Crossing Boundaries: Selected Writings*. New York: Zone Books.
- Hughes, E. C. 1943. *French Canada in Transition*. Chicago: Chicago University Press.
- Humphrey, J., and H. Schmitz 2002. How Does Insertion in Global Value Chains Affect Upgrading in Industrial Clusters? *Regional Studies* 36 (9): 1017–1027.
- Husmanns, R. 2004. Measuring the Informal Economy: From Employment in the Informal Sector to Informal Employment. Working Paper 53. Policy Integration Department, Bureau of Statistics. Geneva: ILO.
- IBGE 1997–2003. Economia informal urbana (Ecinf). <http://www.ibge.gov.br>. Accessed on June 1, 2005, and November 20, 2009.

- 2000. Pesquisa nacional de saneamento básico. <http://www.ibge.gov.br>. Accessed on June 1, 2005.
- 2003. Estatísticas do Cadastro Central de Empresas. <http://www.ibge.gov.br>. Accessed on July 4, 2005.
- 2004. Pesquisa mensal de emprego. <http://www.ibge.gov.br>. Accessed on September 21, 2005.
- ILO 1972. *Employment, Income, and Equality. A Strategy for Increasing Productive Employment in Kenya*. Geneva: ILO.
- 1991. The Dilemma of the Informal Sector. Report of the General Director. International Labour Conference, 78th Session. Geneva: ILO.
- 1993. Statistics of Employment in the Informal Sector. Report III ICLS/15/III. Fifteenth International Conference of Labour Statisticians. Geneva: ILO.
- 2002. Decent Work and the Informal Economy. Report VI. Geneva: ILO.
- 2007. The Informal Economy. Report of the Committee on Employment and Social Policy. Geneva: ILO.
- Jacobi, P. 1993. *A percepção de problemas ambientais urbanos em São Paulo*. São Paulo: Lua Nova.
- Jacopin, J Y., and N. Puex 2002. Misères de la monnaie, monnaies de la misère. La crise monétaire vue par les habitants d'une villa miseria de la banlieue de Buenos Aires. *Journal des anthropologues* 90–91: 25–53.
- Jaguaribe, H. 1958. *O nacionalismo na atualidade brasileira*. Rio de Janeiro: Instituto Superior de Estudos Brasileiros.
- Jakobsen, K., R. Martins, and A. Dombrowski, eds. 2000. *Mapa do trabalho informal*. São Paulo: Editora Fundação Perseu Abramo.
- James, O. 2009. *Il capitalista egoista*. Torino: Codice edizioni.
- Jones, G. A., and A. Varley 1994. The Contest for the City Centre: Street Traders versus Buildings. *Bulletin of Latin American Research* 13: 27–44.
- Kapuscinski, R. 2004. *Travels with Herodotus*. New York: Random House.
- Krein, J. D. 2001. O aprofundamento da flexibilização das relações de trabalho no Brasil dos anos 90. Instituto da Economia. Campinas: Universidade Estadual de Campinas.
- Krugman, P. 1997. In Praise of Cheap Labor. *Slate Magazine*. March.
- Latouche, S. 1993. *Il pianeta dei naufraghi*. Torino: Bollati Boringhieri.
- 2004. Degrowth economics. *Le Monde Diplomatique*, November 14. <http://mondediplo.com/2004/11/14latouche>. Accessed on May 10, 2010.
- 2008. *Breve trattato sulla decrescita serena*. Torino: Bollati Boringhieri.
- Lautier, B. 1997. Os amores tumultuados entre o estado e a economia informal. *Contemporaneidade e Educação* 2 (1): 58–92.
- 2004. *L'économie informelle dans le Tiers Monde*. Paris: La Découverte.
- Lèbre La Rovere, R., L. Hasenclever, and F. Erber 2004. Industrial and Technology Policy for Regional Development: Promoting Clusters in Brazil. *International Journal of Technology Management and Sustainable Development* 2 (3): 205–217.

- Lees, L., T. Slater, and E. Wyly 2007. *Gentrification*. Abingdon: Routledge.
- Leibenstein, H. 1957. The Theory of Underemployment in Backward Economies. *Journal of Political Economy* 65 (2): 91–103.
- Lewis, W. A. 1954. Economic Development with Unlimited Supplies of Labour. *Manchester School* (22): 139–191.
- Lipton, M. 1984. Family, Fungibility, and Formality: Rural Advantages of Informal Non-Farm Enterprise versus the Urban-Formal State. In Amin, S., ed. *Human Resources, Employment, and Development*. London: Macmillan.
- Locke, R. M. 2003. Building Trust. Massachusetts Institute of Technology. http://web.mit.edu/polisci/research/locke/building_trust.pdf. Accessed on November 23, 2004.
- Lomnitz, L. 1977. *Networks and Marginality: Life in a Mexican Shanty-Town*. New York: Academic Press.
- 1988. Informal Exchange Networks in Formal Systems: A Theoretical Model. *American Anthropologist* 90 (1): 42–55.
- Machado da Silva, L. A. 2003. Mercado de trabalho, ontem e hoje: informalidade e empregabilidade como categorias de entendimento. In Santana, M. A., and J. R. Ramalho, eds. *Além da fábrica. Trabalhadores, sindicatos e a nova questão social*. São Paulo: Boitempo.
- Madison, G. B. 1988. *The Hermeneutics of Postmodernity*. Bloomington: Indiana University Press.
- Magera, M. 2003. *Os empresários do lixo*. Campinas: Atomo.
- Malinowski, B. 1922. *Argonauts of the Western Pacific*. London: Routledge and Kegan Paul.
- Marcus, G. E. 1998. Ethnography in/of the World System: The Emergence of Multi-sited Ethnography. In Marcus, G. E., ed. *Ethnography Through Thick and Thin*. Princeton: Princeton University Press.
- Marradi, A. 1980. *Concetti e metodi per la ricerca sociale*. Firenze: La Giuntina.
- Mattoso, J. E. L., and M. Pochmann 1998. Mudanças estruturais e trabalho no Brasil. *Economia e Sociedade* 10.
- Mauss, M. 1923–24. Essai sur le don. Formes et raison de l'échange dans les sociétés archaïques. In Mauss, M. 1968. *Sociologie et anthropologie*. Paris: PUF.
- Meldolesi, L. 1994. *Alla scoperta del possibile*. Bologna: Il Mulino.
- Middleton, A. 2003. Informal Traders and Planners in the Regeneration of Historic City Centres: The Case of Quito, Ecuador. *Progress in Planning* 59: 71–123.
- Mingione, E. 1997. *Sociologia della vita economica*. Roma: Carocci.
- Ministério das Cidades 2006. Diagnóstico do Manejo de Resíduos Sólidos Urbanos. Sistema Nacional de Informações sobre Saneamento. Brasília: República Federativa do Brasil.
- Morales, A. 2000. Peddling Policy: Street Vending in Historical and Contemporary Contest, International. *Journal of Sociology and Social Policy* 20: 76–98.

- Moser, C. 1978. Informal Sector or Petty Commodity Production: Dualism or Dependence in Urban Development? *World Development* 6: 1041–1064.
- Mutti, A. 1998. *Capitale sociale e sviluppo*. Bologna: Il Mulino.
- Nadvi, K., and H. Schmitz 1994. Industrial Clusters in Less Developed Countries: Review of Experiences and Research Agenda. Discussion Paper 339. Institute of Development Studies. University of Sussex, Brighton.
- Negrelli, S. 2005. *Sociologia del lavoro*. Bari: Laterza.
- Nirathron, N. 2006. *Fighting Poverty from the Street*. Geneva: ILO.
- North, D. C. 1977. Markets and Other Allocations Systems in History: The Challenge of Karl Polanyi. *Journal of European Economic History* 3: 703–716.
- 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
- 2005. *Understanding the Process of Economic Change*. Princeton, N.J.: Princeton University Press.
- Novak, M. 2005. *Non si presta solo ai ricchi*. Torino: Einaudi.
- OECD 2007. The Economic Impact of Counterfeiting and Piracy. <http://www.oecd.org/dataoecd/11/38/38704571.pdf>. Accessed on June 26, 2009.
- 2009. Economic Survey of Brazil. *Policy Brief*. July.
- Offe C., and R. G. Heinze 1997. *Economia senza mercato*. Roma: Editori Riuniti.
- Ostrom, E. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press.
- Pahl, R. E. 1980. Employment, Work and the Domestic Division of Labour. *International Journal of Urban and Regional Research* 4 (1): 1–20.
- Peattie L. R. 1969. Cuban Notes. *Massachusetts Review* 19 (4): 652.
- 1980. Anthropological Perspectives on the Concepts of Dualism. The Informal Sector and Marginality in Developing Urban Economies. *International Regional Science* 5 (1): 1–31.
- Perry, G. E., W. F. Maloney, O. S. Arias, P. Fajnzylber, A. D. Mason, and J. Saavedra-Chanduvi, eds. 2007. *Informality: Exit and Exclusion*. Washington, D.C.: The World Bank.
- Pinheiro Machado, R. 2005. La garantía soy yo. Dissertação de mestrado. Universidade Federal do Rio Grande do Sul.
- 2006. Isso tudo é a família da gente: Relações de parentesco entre camelôs e sacoleiros em contextos locais e translocais. *Revista Antropológicas* 17: 65–94.
- 2008. China-Paraguai-Brasil: Uma rota para pensar a economia informal. *Revista Brasileira de Ciências Sociais* 67: 117–133.
- Piore M. J., and C. F. Sabel 1984. *The Second Industrial Divide*. New York: Basic Books.
- Pirenne, H. 1925. *Medieval Cities, their Origins, and the Revival of Trade*. Princeton: Princeton University Press.
- Piselli, F. 2001. Capitale sociale: un concetto situazionale e dinamico. In Bagnasco, A., F. Piselli, A. Pizzorno, and C. Trigilia, eds. *Il capitale sociale. Istruzioni per l'uso*. Bologna: Il Mulino.

- Pizzorno, A. 2007. *Il velo della diversità. Studi su razionalità e riconoscimento*. Milano: Feltrinelli.
- Platt, J. 1995. Research Methods and the Second Chicago School. In Fine, G. A., ed. *Second Chicago School? The Development of a Postwar American Sociology*. Chicago: Chicago University Press.
- Pochmann, M. 2001. *As décadas dos mitos*. São Paulo: Contexto.
- 2008. *O emprego no desenvolvimento da nação*. São Paulo: Boitempo.
- Polanyi, K. 1957a. *The great transformation*. Boston: Beacon Press.
- 1957b. The Economy as Instituted Process. In Granovetter, M., and R. Swedberg, eds. 2001. *The Sociology of Economic Life*. Boulder, CO: Westview Press.
- (with C. M. Arensberg, and H. W. Pearson) 1957c. *Trade and Market in the Early Empires. Economies in History and Theory*. New York: The Free Press.
- 1966. *Dahomey and the Slave Trade. An Analysis of an Archaic Economy*. Washington, D.C.: University of Washington Press.
- 1977. *The Livelihood of Man*. New York: Academic Press.
- Portes, A. 1995. *The Economic Sociology of Immigration: Essays on Networks, Ethnicity, and Entrepreneurship*. New York: Russell Sage Foundation.
- , and L. Benton 1984. Industrial Development and Labor Absorption: A Reinterpretation. *Population and Development Review* 10: 589–611.
- , and M. Castells, 1989. World Underneath: The Origins, Dynamics, and Effects of the Informal Economy. In Portes A., M. Castells, and A. L. Benton, eds. *The Informal Economy: Studies in Advanced and Less Developed Countries*. Baltimore: The Johns Hopkins University Press.
- , M. Castells, and A. L. Benton, eds. 1989. *The Informal Economy: Studies in Advanced and Less Developed Countries*. Baltimore: The Johns Hopkins University Press.
- , and T. Haller 2005. The Informal Economy. In Smelser, N. J., and R. Swedberg, eds. *The Handbook of Economic Sociology*. Princeton: Princeton University Press.
- , and B. R. Roberts 2004. The Free Market City: Latin America Urbanization in the Years of Neoliberal Adjustment. Paper included in the project *Latin America Urbanization at the End of the Twentieth Century*. Andrew W. Mellon Foundation.
- , and S. Sassen 1987. Making it Underground: Comparative Material on the Informal Sector in Western Market Economy. *The American Journal of Sociology* 93 (1): 30–61.
- , and A. Stepick 1985. Unwelcome Immigrants: The Labor Market Experiences of 1980 (Mariel) Cuban and Haitian Refugees in South Florida. *American Sociological Review* 50: 493–514.
- PREALC 1982. *Mercado de Trabajo en Cifras, 1950–80*. Santiago de Chile: ILO.
- Prebisch, R. 1949. El desarrollo económico de la América Latina y algunos de sus principales problemas. ECLAC, E/CN.12/89. Santiago de Chile.

- Rabossi, F. 2001. Doing Business at the Border. Notes on a Complex Scenario. Paper presented at the Interdisciplinary Network on Globalization/Summer School—Genealogies of Modernity. Amsterdam.
- . 2004. Dimensões da Espacialização das Trocas. Pensando o Comercio de Ciudad del Este. Paper presented at the 24th Reunião Brasileira de Antropologia. Olinda.
- Rakowski, C. A. 1994. Convergence and divergence in the informal sector debate: A focus on Latin America. *World Development* 22 (4): 501–516.
- Ramires, F. J. 2001. Severinos na metrópole: a negação do trabalho na cidade de São Paulo. Dissertação de doutorado. Departamento de Sociologia. Faculdade de Filosofia, Letra e Ciências Humanas. Univesidade de São Paulo.
- Razeto, L. M. 1993. Los caminos de la economía de solidaridad. Santiago de Chile: Vivarium.
- Reich, R. B. 2008. *Supercapitalismo*. Roma: Fazi editore.
- Ribeiro, H., and G. R. Bessen 2006. Programas de Coleta Seletiva de Lixo no Brasil: Desafios e Oportunidades a Partir de Três Estudos de Caso. *Revista Interfaces*.
- Riveiro, P. 2002. *Escolhendo entre Fragmentos: Qual Trabalho Seria Melhor Sendo Eu ...? Os Processos de Informalização do Trabalho no Rio de Janeiro*. Rio de Janeiro: IUPERJ.
- Robinson, M. S. 2001. *The Microfinance Revolution*. Washington, D.C.: The World Bank and the Open Society Institute.
- Rodrigues, I. D. 2008. A dinâmica geografica da camelotagem: a territorialidade do trabalho precarizado. Universidade Estadual Paulista, Presidente Prudente.
- Rodríguez-Garavito, C. A. 2005. Il caso delle cooperative di riciclatori di rifiuti in Colombia. In de Sousa Santos, B., ed. *Produrre per vivere. La via della produzione non capitalistica*. Troina (En): Città Aperta.
- Roever, S. 2006. Enforcement and Compliance in Lima's Street Markets: The Origins and Consequences of Policy Incoherence toward Informal Traders. In Guha-Khasnabis, B., R. Kanbur, and E. Ostrom, eds. *Linking the Formal and Informal Economy*. New York: Oxford University Press.
- Roma, G. 2001. *L'economia sommersa*. Bari: Laterza.
- Rosado, R. M. 2004. Território e cotidiano da comunidade da reciclagem do lixo de Porto Alegre: representações e significados. Working Paper. Porto Alegre: Ufrgs.
- Rostow, W. W. 1960. *The Stages of Economic Development: A Non-Communist Manifesto*. Cambridge: Cambridge University Press.
- Sahlins, M. 1972. *Stone Age Economics*. Chicago: Aldine-Atherton.
- Santos, M. 1975. *L'espace partagé*. Paris: Librairies Techniques.
- Sarria Icaza, A. M., and L. Tiriba 2003. Economia popular. In Cattani, A. D., ed. *A Outra Economia*. Porto Alegre: Veraz Editores.
- Sassen-Koob, S. 1984. Growth and Informalization at the Core: The Case of New York City. In *The Urban Informal Sector: Recent Trends in Research*

- and Theory. Conference Proceedings, Department of Sociology, John Hopkins University. Baltimore.
- Sassen, S. 1989. New York City's Informal Economy. In Portes, A., M. Castells, and A. L. Benton, eds. *The Informal Economy: Studies in Advanced and Less Developed Countries*. Baltimore: The Johns Hopkins University Press.
- 1994. The Informal Economy: Between New Developments and Old Regulations. *The Yale Law Journal* 103 (8): 2289–2304.
- 2007. *A Sociology of Globalization*. New York: W. W. Norton and Company.
- Schmitz, H. 1995. Small Shoemakers and Fordist Giant: Tale of a Supercluster. *World Development* 23 (1): 9–28.
- Schneider, F. 2002. *Size and Measurement of the Informal Economy in 110 Countries around the World*. Canberra: Australian National University.
- Schneider, F. 2005. Shadow Economies around the World: What Do We Really Know? *European Journal of Political Economy* 21 (3): 598–642.
- , and D. Enste 2002. *The Shadow Economy: Theoretical Approaches, Empirical Studies*. Cambridge: Cambridge University Press.
- Schwartz, H., and J. Jacobs 1979. *Qualitative Sociology. A Method to the Madness*. New York: The Free Press.
- Sciolla, L. 2000. Riconoscimento e teoria dell'identità. In Della Porta, D., M. Greco, and A. Szokolczai, eds. *Identità, riconoscimento, scambio. Saggi in onore di Alessandro Pizzorno*. Roma-Bari: Laterza.
- Scott, A. J. 1998. *Regions and the World Economy. The Coming Shape of Global Production, Competition, and Political Order*. Oxford: Oxford University Press.
- 2001. *Global City-regions: Trends, Theory, Policy*. New York: Oxford University Press.
- Seabra, O. 1991. *A problemática ambiental e o processo de urbanização no Brasil*. São Paulo: Polis.
- SEBRAE 2004. *Censo da indústria textil e de confecções de Nova Friburgo*. Rio de Janeiro: SEBRAE-Instituto de economia, UFRJ.
- Semi, G. 2006. Nosing Around. L'etnografia urbana tra costruzione di un mito sociologico e istituzionalizzazione di una pratica di ricerca. Working Paper. Department of Social and Political Studies. University of Milan.
- Sen, A. 1985. *Commodities and Capabilities*. Amsterdam: North-Holland.
- 1992. *Risorse, valori e sviluppo*. Torino: Bollati Boringhieri.
- Sennett, R. 1999. *L'uomo flessibile: le conseguenze del nuovo capitalismo sulla vita personale*. Milano: Feltrinelli.
- Sethuraman, S. V. 1976. Urban Informal Sector: Concept, Measurement and Policy. *The International Labor Review* 114 (1): 69–81.
- 1981. *The Urban Informal Sector in Developing Countries. Employment, Poverty and Environment*. Geneva: ILO.
- Sheahan, J. 1987. *Patterns of Development in Latin America*. Princeton: Princeton University Press.

- Simmel, G. 1903. *Die Großstadt und das Geistesleben* (The Metropolis and the Mental Life). In Frisby, D., and M. Featherstone 1997, eds. 1997. *Simmel on Culture: Selected Writing*. London: SAGE.
- Sindzingre, A. 2006. The Relevance of the Concepts of Formality and Informality: A Theoretical Appraisal. In Guha-Khasnobis, B., R. Kanbur, and E. Ostrom, eds. *Linking the Formal and Informal Economy*. New York: Oxford University Press.
- Singer, P. 2002. *Introdução à economia solidária*. São Paulo: Fundação Perseu Abramo.
- 2003. Economia solidária. In Cattani, A. D., ed. *A outra economia*. Porto Alegre: Veraz Editores.
- Smith, N. 1996. *The New Urban Frontier: Gentrification and the Revanchist City*. London: Routledge.
- Sorj, B. 1988. Os camelôs no Rio de Janeiro. Working Paper. IFCS-UFRJ.
- Storper, M. 1997. *The Regional World: Territorial Development in a Global Economy*. New York: The Guilford Press.
- Supiot, A. 2003. *Il futuro del lavoro*. Roma: Carocci.
- Tantalean Arbulú, J. 1992. *Bibliografía del sector económico popular*. Lima: Asociación nacional de desarrollo del Sector Informal.
- Tanzi, V. 1983. The Underground Economy in the United States: Annual Estimates, 1930–80. *IMF Staff Papers* 30 (2): 283–305.
- 1999. Uses and Abuses of Estimates of the Underground Economy. *The Economic Journal* 109 (456): 338–347.
- Tendler, J. 1998. *Good Government in the Tropics*. Baltimore: The John Hopkins University Press.
- Thomas, W. I., and F. Znaniecki 1927. *The Polish Peasant in Europe and America*. New York: Knopf.
- Tokman, V. 1978. An Exploration into the Nature of the Informal-Formal Sector Relationship. *World Development* 6 (9/10): 1065–1075.
- 1990. The Informal Sector in Latin America: Fifteen Years Later. In Turnham, D., B. Salomé, and A. Schwarz, eds. *The Informal Sector Revisited*. Paris: OECD.
- Udehn, L. 2001. *Methodological Individualism*. London: Routledge.
- United Nations (UN) 1992. Agenda 21: Earth Summit. The United Nations Programme of Action from Rio.
- 2005. *Investing in Development. A Practical Plan to Achieve the Millennium Development Goals*. London: Earthscan.
- Vedana, V. 2005. É só um real! Performatividades do comércio informal de alimentos no Largo Glênio Peres em Porto Alegre. *Illuminuras* 88.
- Venkatesh, S. 2006. *Off of the Books*. Cambridge, Massachusetts: Harvard University Press.
- Vennetier, P. 1969. Le développement urbain en Afrique tropicale. *Cahiers d'Outre-Mer* 22.

- Viale, G. 2008. *Azzerare i rifiuti*. Torino: Bollati Boringhieri.
- Viana, M. T. 2004. Il presidente Lula e la riforma del lavoro in Brasile. *Diritto delle Relazioni Industriali* 2/XIV.
- Wacquant, L. 2008. Relocating Gentrification: The Working Class, Science and the State in Recent Urban Research. *International Journal of Urban and Regional Research* 32: 198–205.
- Waldman, M. 2008. Reciclagem, preservação ambiental e o papel dos catadores no Brasil. Paper presented at the VI Simpósio Internacional de Qualidade Ambiental. Porto Alegre.
- Wallerstein, I. 1989. *The Modern World System. Vol III: The Second Era of Great Expansion of the Capitalist World-Economy, 1730–1840s*. San Diego: Academic Press.
- Whyte, W.F. 1943. *Street Corner Society*. Chicago: Chicago University Press.
- Wirth, L. 1956. *The Ghetto*. Chicago: University of Chicago.
- World Bank (WB) 2005. *International Comparison Program. Preliminary Results*. Washington, D.C.: World Bank.
- 2010. *Doing Business: Brazil*. Washington, D.C.: World Bank.
- Yunus, M. 1998. *Il banchiere dei poveri*. Milano: Feltrinelli.
- Zelizer, V. 2005. *The Purchase of Intimacy*. Princeton: Princeton University Press.
- 2009. *Vite economiche*. Bologna: Il Mulino.
- Zorbaugh, H. W. 1929. *The Gold Coast and the Slum. A Sociological Study of Chicago's Near North Side*. Chicago: Chicago University Press.
- Zurru, M. 2005. *L'economia sommersa*. Milano: Franco Angeli.

This page intentionally left blank

Index

Note: letter ‘n’ followed by locators denotes note numbers.

- ABC Paulista*, 172
- Accra, Ghana, 5, 42, 98
- ad hoc* surveys, 25, 33n24, n25
- Africa, xiii, xv, 3, 22, 28–31, 98–9, 104n46
- agricultural sector, xv, 28, 51n11, 220n29
- alter-economie*, 14, 219n15
- ambulantes*, 105–7, 109, 115–16, 122, 123–40, 198, 202–3, 215n23, 236n40, n42, 237n43, n45, n48, 244n8
- and criminal gangs, 237n43
- daylight activities, 128–30
- evening activities of, 126–8
- spatial organization of, 124–6, 236n42
- and unredictability, 130, 237n45
- see also* *Associação Feriantes rua dos Andradas*
- anthropology, 5–6, 57–8, 97–8, 234n26, 235n36
- Arabsheibani, G. Reza, 52, 224n11
- Argentina, 32, 100n12
- Argentina, 8, 30–2, 43, 100n12, 232n12
- Asia, xiii, xv, 28–31, 43, 99
- Associação Brasileira de Empresas de Vendas Diretas*, ABEVD (Association of Retail Businesses), 103
- Associação de Catadores de Materiais de Porto Alegre e Ilha Grande dos Marinheiros*, 62
- Associação Feriantes rua dos Andradas* (Association of the *Dos Andradas* Street’s Vendors), 130–8, 149, 203, 214n49
- Associação Pelo Caminho do Meio* (*Pelo Caminho do Meio* Association), 138, 140, 142–5, 149, 214
- Associação Protetora dos Direitos Intelectuais Fonográficos*, APDIF (Association for the Protection of Music Intellectual Property Rights), 103
- “associationism”, 69, 91, 93, 203, 205
- atravessadores*, 65, 68, 80–2, 196
- see also* middlemen
- “backtalk”, 213, 244n5
- Bangasser, Paul, 6, 9, 17
- “bankarization”, 227n24
- Barbera, F., 238n1
- Barros, Ricardo Paes de, 50, 241n19
- “bazaar economy”, 98, 231n4
- Beck, Ulrich, 217n1
- Berger, Suzanne, 217n3
- “bipolar economy”, 187, 231n4
- Blue Star, 155–8, 160, 162–4, 166–9, 176–81, 183, 187–8, 211, 215–16, 239n7, 240n11

- Bolivia, 29, 31, 32
Bolsa Família, 64
 Bourgois, Philippe, 101, 232n9
 Braudel, F., 104
 Brazil, 32, 43–52, 60, 100, 117n12, 225n16, 232n13
 Brazilian Central Bank, 44, 222n1
 Brazilian economy, 43–6, 223n2, n5
 and deregulation, 45
 exports, 44
 foreign direct investment (FDI), 44
 gross domestic product (GDP), 44, 46n5
 monetary policy, 44–5
 overview of, 43–6, 223n2
 and privatization, 45
 and renewable energy, 44
 Brazilian Federal Government, 153
 Brazilian Federal Police, 116, 232n13, 233n15
 Brazilian labor market, (1930–2006), 46–53, 170–5, 223n3, 224n10, n11
 in the 1990s, 46–7
 “destructuring”, 48
 and formal economy, 50–1
 informal labor statistics, 51–3, 224n11
 minimum wage, 224n10
 and regulation, 48–9, 170–5
 statistic sources on, 46
 unemployment, 48
 see also labor card
 Brazilian *Ministério do Trabalho e Emprego* (Ministry of Labor), 89, 153
 Brazilian Organization for the Promotion and Support of Micro and Small Enterprise, 153
 Brazil-Paraguay border, 103–4, 112, 116–18, 134–5, 140n12, 232n13, 235n36
 Cagan, Phillip D., 26
 Caillé, Alain, 219n15
Caixa Econômica Federal (CEF), 64, 66, 71
caixinhas, 111–13, 116, 120, 122, 125, 129–31, 133, 143, 145, 147–8, 235n29, 236n40, n42
 Calvino, Italo, 43, 58
 camelódromo, 105–6, 108–22, 124, 126, 130, 138–40, 144, 146, 148–9, 214n22, 235n30, n31, n33, n34, 236n37, n40, 244n7
camelôs, 110–15
 collective actions in, 120–2
 economic actors in, 115–18
 photograph of, 111
 and youth, 118–20
camelôs, 105–6, 108–20, 232n11, 234n23, 235n31
camelotagem, 101–6, 232n11
 Canada, 225n16
 capital, xiv, 100, 115, 117, 134–5, 199n1, 231n4, 238n58
 capitalism, 12–15, 39–40, 42, 44, 85, 142n15
 Cardoso, Fernando Henrique, 222n1
 Caribbean, 220n31, 221n32
 Carneiro, Francisco G., 52, 224n11
carrinho, 54–7, 65–70, 75–7, 81–2, 84, 87, 90–1, 93, 199, 204n36
carroceiro, 66–7, 70, 75–6, 84–8, 90–1, 93, 199, 202, 204, 214, 228
 Castel, Robert, 242n9
 Castells, Manuel, 204
 Cella, Gian Primo, 193
Central Unica dos Trabalhadores (CUT) (Unique Workers’ Center), 172
Centro de Educação Ambiental (CEA) (Environment Education Center), 83–9, 94, 207
Centro de Estudios Distributivos, Laborales y Sociales (CEDLAS), 31, 220n31
Chalé de Praça XV, 108, 234n25
 Chen, M. A., 36–7
 Chicago School, 97, 230n1, 231n2
 China, 43, 103, 133, 150
 “circle of recognition”, 242n11
 “circuits of commerce”, 38–9, 61, 202n10

- Ciudad del Este, Paraguay, 103, 116–17, 129, 132, 150n12, n13, 235n36, 239n4
- Classificação Brasileira de Ocupações* (CBO) (the National Register of Occupations), 89–90
- Coleman, James, 206
- Comitê da Economia Informal* (Informal Economy Committee), 132, 144–7, 149n50, 238n56
- “commercial tourism”, 232n13
- Compromisso Empresarial para a Reciclagem* (CEMPRE) Association, 60, 225n17
- Comunidades Eclesiais de Base* (CEB), 62, 69n19
- Conselheiro, Brazil, 183–6
- Consolidação Leis do Trabalho* (CLT) (Brazilian Labor Code), 48–9, 172n15, n16
- Corseuil, Carlos Henrique, 50, 241n19
- counterfeiting, 102–3, 117–19, 125–7, 129, 134, 142, 148n14, n15
- criminal economy, 1–2, 16–17, 176, 203–4, 237n43
- Cuba, 97
- Cuban Notes* (1969), 97
- Da Silva, Machado, 18
- “decent work for all”, 36, 221n34
- “degrowth”, 225
- Departamento Municipal de Limpeza Urbana* (DMLU) (Municipal Waste Management Department), 57, 62–3, 67, 72, 90–1
- De Soto, Hernando, 4, 9–11, 14, 20, 53, 98–9, 148, 198–9, 204n5
- The Dilemma of the Informal Sector*, 17
- Dombrowski, Osmir, 102
- “domestic economy”, 5–6
- door-to-door saleswomen and commercial agents
- classifications of, 164–70
 - conclusions about, 186–9
 - first encounters with, 158–63
 - and informality, 170–5
 - introduction to, 151–4
 - manufacturing district, 154–7
 - and Nova Friburgo, 180–6
 - and participant observation, 157–8
- door-to-door saleswomen field agents
- Adriana, 165
 - Ana, 159
 - Armando, 158–9
 - Artur, 175
 - César, 176–80, 215
 - Evandro, 158–64, 169, 175
 - Gloria, 170–5
 - Januario, 156–8, 163, 166–7, 169, 177, 181, 183–6, 215n7
 - Jean, 158
 - João, 154
 - Maria, 162, 241n21
 - Matias, 166–9, 175
 - Rafael, 175
 - Raul, 175
 - Teresa, 155–8, 213n7, 244n4
- dualism, 3, 5, 16, 37, 186, 209–10, 231n4
- Duffy, Caroline, 98
- Dupont, 153–4
- early modernity, 1, 97n1
- East Harlem (New York), 101, 232n9
- Economia Informal Urbana*, ECINF (Urban Informal Economy), 224
- economia popular e solidaria*, 14–15
- Economic Commission for Latin America (ECLA), 63
- Economist*, 43–5
- economist-tourist syndrome, 40, 222n41
- electricity consumption, 26, 107–8, 220n27, 234n24
- El Otro Sendero: La Revolucion Informal* (1989), 9
- “embeddedness”, 4, 16, 199n7
- “empirical lantern”, 35
- “employability”, 18, 61
- Employment, Incomes and Equality*, 6
- empowerment, 19, 219n20

- entrepreneurship, 4, 9–10, 18, 24, 93, 134, 137–8, 147, 175, 182–3, 199n11
see also microentrepreneurs; middlemen
- ethnography, xvi, 5–6, 38–9, 41–2, 58, 79, 88, 93, 97, 106, 151, 163, 177, 180, 192, 202, 205, 208, 211–16, 218n10, 225n13, 228n33, 229n42, 231n2, 232n13, 235n33, 239n2, 243n1, 244n5, n8, n9, n10
- European Union, 60
- “exit/voice” framework, 149
- exploitation, 170–5
- “extralegal zone”, xiii, 90, 100, 148, 201
- “failure complex”, 40, 222n42
- Federação das Associações dos Recicladores de Resíduos Sólidos do Rio Grande do Sul* (FARRGS) (Federation of Garbage Collectors’ Associations of the Rio Grande do Sul State), 89–90, 206–7, 214n46
- Federal Constitution of Brazil (1988), 49–50, 172
- Feige, Edgar L., 17
- Fifteenth International Conference of Labor Statisticians (ICLS), 18, 23–4
- fiscalização* (the Federal Fiscal Police Force), 112
- “flexible specialization”, 11, 153
- flexible work, 11, 39n13
- “forced entrepreneurship”, 232n7
- Fordist production, 1, 217n2, n3
- formal economy, 16, 18, 34–6, 39–40, 46–7, 50–1, 99, 123, 127–8, 134, 181, 186, 194–7, 223n5
- Fourastié, Jean, 219n12
- Frente Popular*, 226n21
- Fundo de Garantia por Tempo de Serviço* (FGTS), 50, 173n8, 241n19
- garbage collector guides
 Ana, 73, 79, 80
 Ari, 73–7, 79, 88–9, 94
 César, 114
 Chico, 67–9, 114, 118, 121
 Cristiano (“the German”), 78–82, 88n39
 Daniel, 78, 229n37
 Emiliano, 70–9, 88, 94, 207, 212–14, 228n31, 229n37, 244n2, n4
 Eulina, 83–6, 207
 Eustáquio, 66
 Father Gustavo, 69, 85–7
 Justiniano, 77–8, 80
 Maria, 64–5, 86, 88
 Miranda, 64–6
 Natália, 89–90
 Rafael, 73–5, 77–80, 88n37
 Raimundo, 90–2
 Teresa, 73, 79n4
 Zé Pequeno, 65
- garbage collectors, 43–95
 and access, 63–4
 and animal locomotion, 66–7
 associations of, 69–79; *see also* *Novo Cidadão* Association
 and the CEA, 83–9
 collection times, 55–6, 67–8, 75–6
 conclusions about, 92–5
 field guides, *see* garbage collector guides
 first encounter with, 53–9
 and freedom, 69, 75, 88
 lodging, 74
 and *macaquinho*, 77
 methods of collection, 64–9
 and the middlemen, 80–2
 photos of, 55, 56, 57
 political administration, 89–92
 and solidarity, 87
 solid waste collection, 59–63
 terms for, 224n12
 and the waste consumer-producer, 242n5
see also *Novo Cidadão* Association
- Gasparini, Leonardo, 30–2, 220n31, 221n32
- Geertz, Clifford, 98, 231n4
- Germany, 104, 229n39

- global financial crisis (2007–2010), 43
 globalization, xiv, xv, 12, 16, 19, 21, 34, 37, 40–1, 53, 197, 205, 208–10, 221n37, 232n9, 242n6
- Hart, Keith, 2, 5–7, 14, 42, 98, 102n10
 health insurance, 137, 169
 Henley, Andrew, 52, 224n11
 Hirschman, Albert O., 20, 35, 40–2, 50, 57, 99, 149, 206, 208n12, 222n41, n42, 226n19, 238n59, 243n13
 HIV, 45
 Hong Kong, 103
 human capital, 147, 238n58
- Ilha das Flores* (1989), 226n20
Ilha Grande dos Marinheiros, 66
 “illegal” economy, xiv, 17
 immigration, 12, 38, 99, 104
 India, xv, 43
 “individualization” of work, 39–40
 “industrial district model”, 217n3
 industrialization, 6, 8–9, 22, 46–8, 59, 99–100, 218n11
 industrialized countries, 1, 60n16
 informal economy, xiii–xviii, 1–42, 47–8
 and broader research topics, 18–21
 challenges of, 39–42, 208–10
 “default definition”, 34–5, 191–2, 221n33
 definitions of, xiii, 8–16, 47–8, 241n1
 and dichotomies, xiv, 8–10, 21, 35, 38
 different standpoint of, 170–5
 dilemma of, 16–18, 33–4
 estimation methods, 25–7; *see also*
 ad hoc surveys; electricity
 consumption; multiple
 indicator-multiple causes
 (MIMIC) model
 estimations, recent, 27–33
 and the exchange form, 147–50
 and exploitation, 170–5
 first use of, xiii
 and the formal economy, 194–7
 and gross domestic product, 24
 as heterogeneous, xiii–xvi, 13, 15, 36, 39, 41, 53–4, 81, 97, 102, 121, 123, 175, 183, 191, 194, 209
 introduction to, 1–4
 and the market, 147–50, 197–200
 measuring, 21–33
 microprocessing, 151–2
 “myths” of, 98, 231n3
 and politics, 204–8
 and public authority, 92–5
 and regulation, 191–210, 241n1
 renewed interest in, 33–9
 self-organization of, 19–20
 and social networks, 200–4
 statistics on, 51–3, 101–2, 224n11
 stereotyped views of, 7–8
 taxonomy of, 16–17
 theories, 5–8, 191–4
 in the twentieth century, xiv, 2–3, 11, 13, 16–17, 217n1, 219n14
 in the twenty-first century, xv, 216
 see also “illegal” economy; parallel
 economy; underground
 economy
- Informal Income Opportunities and Urban Employment* in Ghana (1973), 2
 “informalization”, 11–12, 34, 37–9, 197n37, 242n6
 “informal sector”, 219n17
Instituto Brasileiro de Geografia e Estatística (Brazilian Geography and Statistics Institute) (IBGE), 46, 48, 51, 101n4, 224n9
Instituto de Economia of the *Universidade Federal de Rio de Janeiro* (Institute of Economics at the Federal University of Rio de Janeiro), 153
Instituto Libertad y Democracia (ILD) (Freedom and Democracy Institute), 99, 231n6
Instituto Nacional do Seguro Social, INSS (National Social Security Institute), 49–50, 87, 172–3, 223n7
 International Institute for Labor Studies (IILS), 30, 220n30

- International Labor Conference
(1991), 17
- International Labor Conference (2002),
35–6, 221n35
- International Labor Organization (ILO),
xv, 2, 5, 6–9, 17–19, 23–5, 27–31,
35–6, 218n6, 219n18, 220n22,
n23, n29, 221n34, n35n4
in the 1990s, 17–18, 23–5
classification of, 36
fifteenth, 23–4
recent estimates, 27–31
see also “decent work for all”
- International System of National
Accounts (SNA) (1993), 24,
220n22
- Invisible Cities* (1972), 43
- “invisible” workers, xvii, 199
- Italian industrial districts, 153
- Italy, 59, 153n16, 229n39, 240n10
- Itapetininga, xvi, 157–67, 169–73, 175,
178–82, 187, 192, 194, 196, 198,
211, 215n12, 244n3, n8
- Jaguaribe, Helio, 50
- Jakobsen, Kjeld, 102
- Japan, 43, 60n16
- jibaro*, 101, 232n8
- Kapuscinski, Ryszard, 151
- Kenya Report, 6–7, 14
- Kibera (Nairobi, Kenya), 59
- labor card (*carteira de trabalho assinada*),
49, 114n6, 224n8, 235n34
- Labor Code, *see* *Consolidação Leis do
Trabalho*
- labor flexibility, 11, 219n13
- Labor Tribunals, 170, 172n12
- LAC Poverty Group (LCSP), 31
- lanchonetes* (bars), 123, 127n38
- late modernity, 217n1
- Latouche, Serge, 14–15, 93n15
- Lavoisier, Antoine-Laurent de, 98–9
- “lean manufacturing system”, 11, 39n3
- legalist approach, 3–4, 16, 37
- les trente glorieuses*, 218n12
- Lima, Peru, 9, 99n6
- Locke, Richard, 20
- “lower circuit of the economy”, 98,
108n4
- Lula da Silva, Luiz Inácio (2003–2011),
45, 227n24, 229n36
- Machado, Pinheiro, 105, 113, 117, 150,
197n13, 235n36
- marginalization, 3, 20–1, 32, 37–8, 41,
90, 93, 97–9, 101, 187, 198, 203,
205–6, 208–9, 226n24, 231n2,
237n47, 243n13
- market (or the exchange form), 147–50,
193, 197–200, 238n1, 242n8
- Martins, Renato, 102
- Mattos, Evaristo, 122, 144n41
- mercantilism, 9, 202–3
- methodology, xvi, 106–7, 211–16
- Metropolitan* (Federal Environmental
Management Department), 90–2
- Mexico, xv, 32, 224n12
- Miami, 103
- microcredit, 64–6, 109, 126–7, 203n24,
227n26, 234n27
- microentrepreneurs, 20, 64, 100, 132,
175, 199
- middlemen, xvi–xvii, 65, 68, 72, 79,
80–2, 84, 88, 90, 93, 185, 195–6,
199, 204n27, 229n40, n41
- Millennium Development Goals
(MDGs), xv
- minimum wage, 2, 44, 171n7, 224n10,
228n28, 231n6, 240n14
- Ministério do Trabalho e Emprego* (the
Brazilian Ministry of Labor), 46,
174n16
- modernity, 1, 103–4, 217n1
- modernization, xvii, 2–3, 6–9, 14–15,
20–2, 49, 57, 61, 105, 173, 198,
205, 208n11, n12, 231n4, 234n26
- Moradia e Cidadania* (Housing and
Citizenship) NGO, 66, 72
- Movimento Nacional dos Catadores de
Materiais Reciclavéis* (National
Association of Garbage
Collectors), 89

- multiple indicator-multiple causes (MIMIC) model, 27
- Mutti, Antonio, 207–8
- Nadvi, Khalid, 20
- Naples, Italy, 59
- neoliberal economic policies, 100, 232n9
- neo-Marxism, 13
- nonagricultural sector
and employment, xv, 28
informal employment table (1994/2000), 29
wage table (1994/2000), 31
- nongovernmental organizations (NGOs), 76–7, 82, 85
- North Africa, xv, 28–9
- North, Douglass C., 238n58, 243n12
- Novo Cidadão* (New Citizen)
Association, 71–80, 82–3, 87–8, 93–4, 123, 207, 212–14, 228n30, n31, n33, n35
- Obirici* law, 111, 137–8, 147n30
- Olaria, 155–6, 181–6
- open-air dumps (*lixoes*), 62
- Organização de Auxílio Fraternal* (OAF) (the Fraternal Help Organization), 230n45
- Organization for Economic Co-operation and Development (OECD), 233n14
- Ostrom, Elinor, 242
- otherness, 13–14, 41
- outsourcing, 3, 39, 134, 153, 156–7
- papeleiros*, 55, 56, 63, 65–6, 90n12, 230n45, n47
- Paraguay, 32, 103, 112–14, 116–18, 122, 129, 132–3, 139–40, 146, 148–50, 232n12, n13, 235n36, 239n4
gross domestic product, 103
see also Brazil-Paraguay border
- parallel economy, xiv, 217n1
- participant observation, xvi, 58, 64, 69–70, 79, 106, 113, 157–8, 161, 177, 180–1, 213, 215n42, 243n1
- Partido dos Trabalhadores* (PT), 226n21
- “paternalistic” policies, 49, 69n26
- Peattie, Lisa, 97
- Peru, 224n12
- Pesquisa Nacional por Amostra de Domicílios* (PNAD), 46–7, 52n4
- Petrobras, 44
- Pirenne, H., 104
- Pizzorno, A., 242n11
- Plano Real*, 222n1
- Pochmann, Marcio, 46–7
- Polanyi, Karl, 5–6, 95, 148, 152, 187, 193, 198–9, 204, 207–9, 218n8, n9, 241n3, 242n10
- polyethylene-terefalal (PET), 60, 74n18
- Ponte da Amizade* (Friendship Bridge), 103, 116n13
- Ponto da Saudade*, 156
- Portes, Alejandro, 99–100, 204n21, 232n7, 241n4
- Porto Alegre
description of downtown, 107–10
map of, 107
urban waste management chain, 195
- Portosol*, 64–5, 109–10, 124, 126, 132, 212n24, n26, 234n27
- Portugal, 229n39
- “post-Fordist” era, 39–40
- poverty, 3, 19, 21, 31, 34, 36–8, 67, 71–2, 75–6, 79, 82, 93, 97–8, 160–1, 167, 169, 178, 201n19, 229n36, n38
- Praça da Alfândega*, 104, 233n17, n18
- Praça Paraíso* (today *Praça XV*), 104, 233n19s
- Praça XV de Novembro* (Fifteenth of November Square), 104–6, 108–10, 112–13, 122–3, 131, 143n17, n18, 234n23, n25, 236n42

- Primeiro Congresso Nacional dos Catadores de Materiais Recicláveis* (the First National Congress of Garbage Collectors), 230n45
- Profetas da Ecologia* Association (Ecology Prophets Association), 85, 87
- Programa Fome Zero* (Zero Hunger Program), 76, 229n36
- Programa Integrado Entrada da Cidade* (PIEC), 86, 230n44
- promotores*, 155, 157–8, 163–4, 167–9, 175–80, 187–8, 200, 202, 211, 215–16, 239n4, n7, n9, 240n11, 241n21, 244n8
- Puerto Rican crack dealers, 101, 232n9
- Receita Federal* (Brazilian Tax Authority), 155, 239n8
- reciprocity, 5–6, 13, 121, 152, 177, 186–9, 200–4, 207, 212n9, n10, 243
- recyclables, xiv–v, 54–5, 57–8, 60–72, 75, 77–8, 80–95, 194, 196, 198, 200–1, 206–7, 224n12, 225n17, 226n18, 227n27, 228n30, 229n40, 230n45, 242n5, 244n2
see also middlemen
- redistribution, 95, 152, 207, 209n48
- “reflexive account”, 216, 244n10
- Relação Anual das Informações Sociais* (RAIS), 46
- relational networks, 12, 14, 19–21, 62, 93–4, 106, 201, 204, 207
- Revista Globo*, 104
- rights of workers, 170–5
- Rio de Janeiro, 54, 152–3, 156n14
- Rio Grande do Sul, xvi, 54–9, 61–2, 89–91, 104
- Roberts, Bryan, 99–100, 232n7
- Rodrigues, Ivanildo D., 235n36
- Roma, Giuseppe, 26
- sacoleiros*, 112, 114, 116–18, 153, 155–6, 160, 163, 165, 167, 170, 179, 181, 187, 198–9, 232n13, 233n15, 235n35, 239n4, n5
- Santos, Milton, 98, 231n4
- São Paulo, 101–2, 117, 155–7, 168, 170, 172, 174, 179n46, 233n15
- Sassen, Saskia, 37, 39, 41, 98, 187, 194, 197, 205n21, 222n39, 231n3, 241n4, 242n6
- SCAPA, *see* *Sindicato dos Camelôs and Ambulantes de Porto Alegre*
- Schmitz, Hubert, 20
- Secretaria Municipal da Produção, Indústria e Comércio* (SMIC) (Municipal Department of Trade and Industry), 122, 124, 129–30, 135, 145–7, 233n20, 236n42, 238n56, n57
- Sefrou, Morocco, 98
- segmentation, 36–7, 41n33, n36
- self-employment, 5, 24, 28, 30–2, 35, 39, 47, 85, 90, 100–1, 127, 137, 158, 167, 176n9
- Sen, Armatya, 19
- Serviço Brasileiro de Apoio às Micro e Pequenas Empresas* (SEBRAE), 141, 153
- “shipwrecked of development”, 14, 93, 198–200
- Simmel, Georg, 230n1, 234n26
- Sindicato dos Camelôs and Ambulantes de Porto Alegre*, SCAPA (street vendors’ trade union), 105, 115–16, 121–2, 130, 144–5, 234n21, 236n41, 238n56
- Sindicato dos Lojistas do Comércio de Porto Alegre* (SINDILOJAS) (shopkeepers’ union of Porto), 115–16, 145n53
- Sindicato Nacional dos Auditores Fiscais* (UNAFISCO) (National Fiscal Auditors Association), 103
- slavery, 173–5
- social capital, 20, 98, 206
- social Darwinism, 232n9
- “social dissociation”, 200, 242n9
- social fragmentation, 19, 37, 39, 200
- socialism, 219n14
- social networks, 20, 41, 98, 135–40, 148, 152, 166, 200–4, 238n58
see also solidarity

- “social scaffolding”, 238n58
- social security systems, 16, 24–5, 32, 47, 49–52, 87, 89–90, 93, 127–8, 133, 142, 149, 167, 170–2, 219n21, 220n24, 221n34, 223n7, 224n11
- Socioeconomic Database for Latin America and the Caribbean (SEDLAC), 31
- sociology, 5–6, 97n26
- solidarity, 14–15, 69, 87, 120, 136, 164, 167, 177, 187–8, 200–4
see also social networks
- solid urban waste management chain (Porto Alegre), 195
- Southern hemisphere cities, xiii, 1–4, 7–10, 12–14, 16, 18, 21, 33–4, 37, 47, 59, 92–3, 97–101, 110, 191–210, 221n37, 231n3, 237n44
 and gentrification, 37
 and street culture, 237n44
 and urbanization, 92–3, 97–101
- street culture, 237n44
- street vendor guides
 Arthur, 132, 137, 145
 César, 114, 116, 120–1
 Chico, 114, 118, 121
 Claudia, 141
 Clélia, 119
 Daniél, 128–30, 237n45
 Eduardo, 134
 Gloria, 110, 118, 121, 214
 João, 140
 Juliano, 146–7
 Luis, 141–2, 145
 Marta, 110, 124
 Mateus, 119
 Maura, 110, 114, 118–20, 214
 Neca, 110–14, 117–18, 120–1, 235n31, n33
 Nelson, 124–8
 Nina, 133–4
 Raul, 142–3, 145, 214
 Ricardo, 142–3, 145, 214n55
 Sérgio, 118–21
 Sonía, 113, 119, 120–1
 Wilde, 112, 114, 121
- street vendors, 97–150, 232n11
 access to the field, 107–10
ambulantes, 123–30
camelódromo, 115–22
camelôs, 110–15
camelotagem, 101–6
Comitê da Economia Informal, 144–7
 “commercial corridor”, 105, 108–10, 112, 114–16, 121
 conclusions about, 147–50
 and cooperatives, 122
 and disorientation, 109, 234n26
 and the fake goods market, 102–3, 233n14, n15
Feriantes da rua dos Andradas, 130–8
 introduction, 97–101
 and modernity, 103–4
 in other zones of the city, 138–44
 photographs of, 111
 research questions, 106–7
 statistics on, 101–2, 105n6, 232n11
 and youth, 118–20
- structuralism, 3–4, 9, 12, 13, 16, 37
- sub-Saharan Africa, xv, 22, 28–9, 31
- sweatshops, 12, 181–6, 189, 195–6, 213, 215n54
- Switzerland, 152
- tables, 29–31
 Informal employment in
 nonagricultural employment, by sex 1994/2000, 29
 Informality around the world
 (relative to total employment, in percent), 30
 Wage and self-employment in
 nonagricultural informal employment, by sex 1994/2000, 31
- Tanzi, Vito, 26
- Taylorist-Fordist model of the factory, 1, 217n2
- Tendler, Judith, 20
- “tertiarization”, 50–1, 237n47
- Tornarolli, Leopoldo, 30–2, 220n31n32
- trade liberalization, xiv, 19, 99n7

trade unions, 49, 105, 121, 130, 143,
171–2, 234n21, n22, 238n56,
240n17

see also SCAPA

transaction cost, 10, 185–6, 198–9

transversality, 12

Travels with Herodotus (2004), 151

Udehn, L., 238n1

underground economy, xiv, 11, 17,
101n1

underwear production, 152–7, 180–6,
196

see also door-to-door saleswomen

unemployment, 3, 5, 8, 15, 44–5, 48,
59, 63, 71, 91, 98, 100, 122, 124,
129, 134, 145, 170, 173, 197–8,
218n5, 240n13

United Nations Conference (1992), 59,
225n14

United Nations *Millennium Project*
(2005), 219

United Nations' Regional Employment
Programme for Latin America and
the Caribbean (PREALC), 22,
219n21

United States, 9, 12, 43, 60, 97,
142n16

Universidad Nacional de La Plata
(Argentina), 30

University Development Studies
Institute, 5

unreported economy, 17

urban ethnography, 231n2

urbanization, 7, 12, 37–8, 53, 59, 92–3,
97–104, 221n37, n38, 234n26

“urban livability”, 59, 61

urban waste (Brazil), 59–63, 195
management chain (Porto
Alegre), 195

and municipalities, 61–2

and nongovernmental
organizations, 61

production of, 60

recycling system, 60–1

Uruguay, 30, 32

vales-transportes, 123, 128n39

Vargas, Gétulio, 48–9, 171–2

Venezuela, 29–32, 97

Venkatesh, Sudhir Alladi, 38,
222n39

Vennetier, P., 98

Vila Pinto, 83–9, 94

Voluntários da Pátria, 106–7, 122–32,
140, 214n45

wages, 5, 52, 171n36, 224n10, 228n28,
n33, 240n14

“wage society”, 198, 242n7

Washington Consensus, 99

Weber, Florence, 98

Weber, Max, 97, 202n1

women, 38, 51, 83–7, 133, 140, 200–1,
221n36, 224n11

see also door-to-door saleswomen

*Women and Men in the Informal
Economy, a Statistical Picture*
(2002), 27–8

World Bank (WB), xv, 18, 31, 45

World Customs Organization,
233n14

World Employment Programme (WEP),
6–8

World Trade Organization (WTO),
28–30

World War II, 239n3

Zelizer, Viviana, 38–9, 41, 202n40,
242n10