Informalisation as a Strength
Community Survival Systems and Economic Development in the African City

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INFORMALISATION AS A STRENGTH: COMMUNITY SURVIVAL SYSTEMS AND ECONOMIC DEVELOPMENT IN THE AFRICAN CITY

A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE MSc. DEGREE IN THE FACULTY OF ECONOMICS IN URBAN DEVELOPMENT PLANNING

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ABSTRACT

This dissertation is concerned with resources for economic development in cities in Africa. It argues for greater understanding of the dynamics, practices and cultures within popular neighbourhoods and for recognising the creativity within them as a critical resource. Such an appeal is apt within a context where informal initiative has been suppressed, neglected and its potentially wider influence curtailed. This paper takes the view that the popular neighbourhood is not just a place of needs, nor are its resources important only for addressing its own pressing issues; rather, it can be a major contributor to economic development in cities of Africa. The argument draws on concepts and findings from two research initiatives on a Lusaka settlement which delved into community resourcefulness, during a period of consolidation and at a time of serious economic stress. The main proposition is that economic strategy formulation in African cities needs to be based on a good grasp of the constraints and creativity of popular neighbourhoods and the survival strategies they spawn.
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SECTION A

1. General Introduction

The continent of Africa has been in a state of prolonged economic decline. So serious is the crisis that some caution against expecting dramatic change for better (Frimpong-Ansah 1992). Whereas past development emphasis has been on rural areas, these urban centres are becoming much more important. They are a magnet for the rural population who are drawn by the promise of better opportunities. Urban centres generate most of national GDP; in Africa they account for 40 percent of the population but 60 percent of GDP (Becker et al. 1994). As such cities have arguably a decisive role to play in promoting economic development (Becker et al. 1994). Yet cities also shoulder economic constraints. The share problems such as the fiscal crisis of government, limited exports, weak infrastructure, patrimonial systems, feeble development of formal private sector, and low mobilisation of financial resources for development\(^1\).

It is debatable whether cities can find a growth path without reforms at other levels, particularly through national strategies, forms of external assistance, change in institutions and finding macro-economic balance\(^2\). Yet few will gainsay the fundamental importance of more concerted attempts to improve city incomes and productivity. A push for productivity may be undertaken as much, if not more, to address local needs and pressures - to manage urbanisation, to work for sustainability, to reduce poverty - than to help the national economy. In considering local economic strategies, cities in economically-stricken Africa do not have many tools at their disposal, nor many options. In this context people are a critical resource, not just as


\(^2\) This may involve changes in addition to or different from structural adjustment programmes presently under way. ‘Adjustment’ is said to have scored limited success so far (Basu and Stewart 1995).
labour or human resources, but in their will to make a living, earn an income and generally to carve out a better life\textsuperscript{3}.

This dissertation focuses particularly on the urban poor and their potential contribution to economic development. It argues that:

\textit{The effective formulation of strategic planning for economic development for cities in Africa requires - at its centre - consideration, appreciation and valuing of the survival systems of popular neighbourhoods.}

It is not being argued that an economic development strategy should be based just on the informal sector or on small-scale enterprise. That would be presumptuous, considering that the main thrusts of local economic development strategy will be defined in particular contexts\textsuperscript{4}. It is being argued that given the pressures and constraints cities face and the many strengths and scale of informal processes, a strategy that ignores informality will be flawed. Even strategies to build up the formal sector\textsuperscript{5}, its is argued, can profit by drawing on, and better linking into, the resourcefulness embedded in informal practices and cultures.

In this regard attention needs to be paid to what are variously considered as the social organisations, the forms of social networks and particular practices within settlements of the poor. This includes a variety of institutions, including religious associations, credit societies or linkages not formally constituted such as family ties and neighbourhood relationships. The informal economic sector as generator of incomes and products which meet needs is an immensely important part of this vitality -- and it is fed by the creativity of cultural and social practices that underpin survival systems.

\textsuperscript{3}See Wield (1992) who elaborates on the ingenuity of the poor in developing countries in finding ways to earn an income. See Saffer (1983) who advocates an essentially positive view of the activities of people in the city, and calls on planners to take actions to release rather than control private initiative. As Peter puts it, "In places where there are so many problems, politicians must take the hopes, desires and abilities of the population into account ... Quite simply, the hopes and desires of ordinary people are the most important resource available to governments of Third World countries" (1992:30).

\textsuperscript{4}Strategies will be shaped by, for example, natural endowments or constraints, facilities available for development, the pattern of existing economic activity and the broader policy context.

\textsuperscript{5}For example, Marsden (1992) argues that developing the formal private sector is a priority in Africa's development. Stren and White (1989) argue that striving to regularise and formalise the informal is an important goal.
All these factors help to explain how the poor get by: there is creativity and resilience amid the hardship and poverty — this is life in popular neighbourhoods.

Why the focus on Africa as opposed to the importance of these issues for economic development in all cities of developing countries? This paper chooses to focus on Africa because of its particularly weak economic development and the struggle for an economic upturn. Secondly, account is taken of the particular role of informality in Africa where in many parts there is the near collapse of the formal economy. In other contexts, the issue may be how to connect popular neighbourhoods as the periphery into processes of formal city economic development and their integration onto the global level but in Africa this is different. Africa’s popular neighbourhoods and their social and economic fabric are both peripheral (in relation to institutions of power) and central, particularly in the way they have expanded to compensate for the non-development of the formal sector.

There are several implications for city economic development strategies that fail to take account of social economic cultural patterns of popular settlements. Firstly, solutions — for example in the form of structural, legal and institutional reforms — conceived in ignorance of survival systems may in implementation disrupt community systems. Such effects may manifest as a continuance of exclusion through orderly planning or create exclusion where fusions exist between formal and informal sectors, between local practices and the administration. Secondly, planning initiatives blind to informal survival strategies may undermine potentials by failing to build on existing resourcefulness. The contention is that such questions pose themselves more sharply in the context of the African city.

This thesis will advocate gathering in-depth information of how popular neighbourhoods function as part of developing a city’s economic strategy. At present information of how settlements of the urban poor function is not generally gathered.

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6 Such contexts include, inter alia, countries with a more developed formal sector. See also Marsden (1992).
sufficiently\(^7\); but where it has been collected, it would appear that it is not the kind of information that is fed into processes of economic planning\(^8\).

This paper seeks to cover a wide field, embracing issues of economic development as well as socio-cultural responses to it. It will consider the city as an urban system, the place for concentration and co-ordination of factors key to social production. It will consider how popular neighbourhoods and informal processes are seen from the official viewpoint, and interrelationships of formality and informality. Several key questions for economic development in Africa's cities\(^9\) will be set out, drawing principally on the New Urban Agenda\(^10\).

Two studies are referred to in the last section, both referring to the settlement of Chawama in Lusaka. The studies are used because they surface empirical evidence which shows the working of informal processes and survival strategies of the urban poor. Although the studies do not necessarily focus on the city's task of stimulating economic development, they offer important reflections as to the implications of such modes of operation in development processes.

The first study was conducted in the mid-seventies (under the direction of Koenigsberger and Safier (1995) and its value remains because of its multidisciplinary nature, and because a more recent major study of the same nature has not yet been conducted\(^11\). It examined the viability of the fast-growing city's economy to cater for those seeking a decent life there, and the contribution of informal sectors to that process. The second more recent study (coordinated by Moser (1996b) under auspices of the World Bank) took the reality of structural adjustment as a key contextual factor.

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\(^7\) This is part of a broader context of insufficient urban research. See Cohen (1992), World Bank (1991); see Hafiani (1993) who finds a decline in urban studies in Africa and explains it in terms of broader economic decline and shrinkage of resources. See Rakodi (1993).

\(^8\) An exception is the interest taken in the course of elaborating economic development programmes, in small scale economic activities, which is just one part of informality.

\(^9\) These questions should not be considered as definitive or conclusive.

\(^10\) This refers to the complementary urban development strategies of the World Bank and the United Nations Development Programme, described as an 'agenda for the 1990s'.

\(^11\) If such a study has been undertaken in Africa, it would not have escaped the attention of Halfani (1993), Swilling (1993) or Kofi (1993), who recently conducted an inventory of urban study in Africa, in east central, southern and west Africa respectively.
It examined how coping strategies of the poor adapted and changed as economic conditions worsened, and made particular reference to the capacities of the poorest. The perspective of both studies are relevant to this paper.

2. Key issues

A central backdrop to this paper is the parlous state of economic development in Africa. This relates not just to slower modernisation\(^{12}\) (Riedel and Schmitz 1989) but also to stagnation and widespread economic decline since the eighties. The continent is said to have the comparatively weakest economies. It reports a low level industrialisation\(^{13}\), the smallest share of world manufacturing output (World Development Report 1995), some of the lowest workforce percentages in formal employment (Wield 1992). As a result, it is regarded as being on the periphery of global economic power (Simon 1992). A “capitalist breakthrough”, argues Sandbrook has been decidedly “hampered” (1985:134), and prospects for Africa’s future is “dismal” (Sandbrook 1994: 134, Becker et al. 1994).

Macro-economic problems, including government overspending and debt, balance of payments problems and declining foreign exchange earnings have worsened since the eighties (Becker et al. 1994). This is despite structural adjustment programmes administered by international multilateral agencies such as the International Monetary Fund and the World Bank (Becker et al. 1994). These programmes aim to, among other things, limit state expenditure - through pruning the civil service, cutbacks on social spending and removal of subsidies (Hetne, 1995, Chu and Hemming 1994) - and rejuvenate the private sector.

However, adoption of these policies in Africa reflect “a lack of alternatives” (Becker et al. 1994:4). Those embracing the policies are clinging to the promise of a turnaround

\(^{12}\) According to Simon et al. (1996), modernisation is secured only in some sectors and in particular locations. Sandbrook (1994) argues that capitalism penetration is felt more in circulation than in direct in production. Also, he argues, although capitalist influence is pervasive, “most Sub-Saharan countries comprise largely peasant societies”(Sandbrook 1994: 17).

\(^{13}\) According to Simon (1992), there are no newly industrialised countries on the continent, except perhaps for South Africa.
via improvement in the balance of payments and stimulation economic growth (Sandbrook 1994) but immediate social costs have been high\footnote{See the World Bank’s handbook on poverty in developing countries (1993) where such views are shared.}. According to Sandbrook (1994), employment in the formal sector has shrunk, many educational institutions have been devastated, and hospitals and clinics have gone into decline. Cutbacks on social spending combined with declining incomes has resulted in worse nutritional levels and higher infant mortality rates. The grim macro-economic picture also translates into decreasing revenues for local government, and even greater pressure on the provision of basic services. The consequences of this are twofold: those deprived of basic services and an acceptable quality of life must surely be increasing as a proportion of the urban population\footnote{This is so especially in the context of unabating urbanisation. These rates are conveyed by Halfani (1993) who states that within a thirty year period the population of Zambia doubled, Kenya’s trebled and Tanzania’s increased fivefold.}, and on an economic level according to Becker et al. (1994:22), the position has worsened “as of 1990”. Services are said to have decayed, no country can provide enough formal employment, and “any increased dynamism of the private sector remains on the distant horizon” (Becker et al. 1994: 22).

2.1 Urban economic development: the role of cities

This subsection affirms that economic development is a fundamental strategic concern for cities of Africa. Urban economics is linked to development economics; urban economies are not independent of the constraints and possibilities determined by national and international economic policy frameworks (Baker and Pederson 1992). According to Toye (1993), the present development paradigm is defined by neoliberalism or the neoclassical approach to development\footnote{In explaining the neo-classical approach, Toye (1993) refers to it as a doctrine championed by a group of economists with “over the last ten years, a rising influence over development policy”. They are “opposed to the use of economic planning for development purposes” and “united by the belief that the problems of economic development can only be solved by “freely operating markets and a government that undertakes minimal functions” (1993: vi).}. In terms of this outlook, a more limited role for the state is best for development (Devas and Rakodi 1993). The emphasis is on freeing the market through, for example, deregulation, privatisation and cutbacks on state spending (Hemming and Miranda 1991). For developing countries
in particular, it is said that export-led orientation provides the best opportunities for improving national incomes (Peterson et. al., 1991). This is based largely on the success of the East Asian economies in achieving remarkable economic growth - and consequently raising per capita incomes - through export-led industrialisation.

These ideas are applied to the urban context through the New Urban Agenda. The Agenda sets criteria for the funding goals of multilateral agencies, and also, in a sense, for measuring effective urban management and governance. Significantly, the Agenda holds that promoting local economic development is the most important task of local government. Other more conventional concerns are dealt with in the Agenda, for example ensuring an effectively functioning city and provision of services, but are discussed mainly in relation to urban productivity. Poverty and environment concerns, for example, are raised primarily as economic issues - a drain on human potential in the city and a squandering of vital resources.

The Agenda critiques past donor efforts for the scant attention given to the issue of urban productivity and for not recognising that cities are locomotives of economic growth (UNDP, 1996a). It calls for a move "beyond housing and residential infrastructure" to include a push for urban productivity as a primary development concern (World Bank, 1991:3).

Of course the priority given to economic growth as a focus for city planning and management sparks opposition. For the environmentalist there is concern that ‘green’ issues will be downgraded. For others, there is a concern that economic growth often generates increased inequality. This is the old problem that aggregate economic growth does not necessarily improve the well-being of all in society17. For some of these critics the main problem is that the Agenda -- despite anti-poverty noises -- is driven by objectives that have more to do with external relations. The Agenda, in this view, is seen to be about mobilising urban economies to help effect macro-economic

17 The UNDP asserts that undesirable growth includes jobless, ruthless, anti-democratic and rootless growth (1996).
stabilisation\textsuperscript{18} and, more cynically, “to increase prospects that the international banks could recover their bad loans” (Korten 1990).

Valid as such criticisms may be, they do not detract from the importance and appeal of urban economic development. The concept of strong policy and aid support for local economic development strategies will find support from most actors concerned with urban issues. From the viewpoint of the urban manager, economic development helps strengthen the fiscal base (Hirsch 1991) and provides financial resources for plan implementation (Mattingly 1995, Gottdieber and Pickvance 1991). While the social change agent concerned with poverty will see provision of work opportunities (Fox-Preworski 1991) and well-remunerated income as a key to community development (Peterson et. al. 1991, Wield 1992). Reflecting this broad consensus, the Habitat II plan of action (UNCHS 1996a) invokes the ‘cities as growth-engines’ slogan and links eradication of poverty to “the goal of productive employment” (UNCHS 1996a: 4).

Promoting local economic development is no less important an issue in Africa. As Simone et al. (1996) argue:

“There is no argument ... that African cities will have to experience substantial economic growth in order to support present and increasing populations”

And Becker et al. (1994), lamenting the “little attention” paid to urban economic development in overall national development, declare (1994:2):

“We argue in favour of harnessing the human and financial resources of the African city as part of a strategy to ensure greater and more widespread economic development”.

2.2 Economic development and cultural change

This subsection affirms the idea of different development paths (with local responses leading to different model or types of capitalism); furthermore, the

\textsuperscript{18}See the work of Chu and Hemming (1991) -- a handbook on public expenditure for developing issued by the IMF -- for a full discussion of strategies for stabilisation comprising, among other things, market liberalisation.
legitimacy of informal and small-scale economic production in modernisation strategy is asserted. There are many reasons why African governments and politicians did not want to base a development strategy on the importance of the informal sector. Some hold a low view of the sector's potential (Becker et al. 1994) while others' scepticism may be rooted in a conceptions of industrialisation that admires attainments of developed countries (Page 1990, Moughtin et al. 1992). However, it is argued that at bottom are issues of values; in this regard, concerns that a development strategy based on the recognition of informal processes will be inferior, or accommodating backwardness, should be addressed. This issue turns on how moderrisation is understood and embraced, not just by politicians but by others who contribute to policy and paradigm formation.

Dominant attitudes in Western thinking has fanned the desire to emulate Modernisation as it it was experienced in the West was widely regarded as a model to follow and a yardstick of progress (Brandt and Schaef 1995). Societies that were slow to modernise in these terms were regarded as backward and lacking what was required for self-sustaining capitalist growth (see Weber as quoted by Goody 1994).

In countering this way of thinking this paper argues for acknowledging, to a greater extent than before, the reality and validity of diverse paths to modernisation. It seeks to affirm the need to develop, wherever feasible:

"a more locally based pattern especially of intermediate production linkages and consumption and distribution patterns, which reflect more exactly the balance of locally available resources and which encourage the development of technologies and forms of organisation that will employ these resources to satisfy a wider range of local needs and priorities" (Saffer et al. 1975:9).

19 Korten (1991), referring to the work of Kuhn (1970) defines 'paradigm' as a set of basic ideas, thoughts or beliefs about the nature of reality. Such beliefs become a lens through which the day to day perceptions of the world is filtered. Brandt and Schaef (1995) also acknowledging Kuhn, say the definition, adapted for the development sphere is a set of ideas - broadly about ways of seeing or doing things - which have generally gained force or acceptance.
Different paths of development

The Eastern economies, particularly that of Japan but also later developers, married global technology with local advantages. The major changes and progress that has been achieved has laid to rest notions of "Uniqueness of the West" or that Europe "had the ability to modernise whereas others could but copy" (Goody 1995:9, 8). Goody acknowledges the achievements of the Industrial Revolution, but questions "ethnocentric" notions that offered structural, cultural or institutional reasons for the West's lead in economic development "from 1600 to the present day" (1995:9). He argues that taking a wider span of world history will show that "no-one is endowed with unique features of a permanent kind that enables them alone to invent or adopt significant changes" (1995:8). In addition latter-day developments have undermined the claim that Eastern society was held back by "lack of adequate forms of rationality, of kinship, or of entrepreneurial skills, which were considered to be features of the West" (1995:4). Indeed, argues Goody, as Japan moved into the G7 and east Asian economies progressed, "what was seen as obstacles" are now portrayed as catalysts for development in those contexts. Thus Berger (quoted in Goody 1995) concedes that "a new model" of industrial capitalism has been generated in the East.

Goody's arguments are important for understanding how other societies are viewed and how a society views itself. If the West's achievements are regarded as one of the swings of the historical pendulum affecting societies and if modernisation is "a continuous process and one in which regions have taken part in leapfrogging fashion" (Goody 1995:8), then (it is argued) societies can be more comfortable with configurations of capitalist production emerging in their own particular context.

For Drakakis-Smith, difference in development paths in different parts of the world is linked to the notion that developing world cities have different functions and structures, and occupy "a different part of the world economic system" (1987:10). Furthermore, the way the city is configured is "historically specific and strongly influenced by local
forces and circumstances" (Drakakis-Smith 1987:10). This view is elaborated by Watts (1992) who sees capitalism as strongly shaped by local reactions and by people struggling over material and cultural conditions of existence. The result is, as Watts puts it, multiple capitalsisms and "multiple modernities" (1992:13).

Informality in advanced countries

The informal sector and informalisation is increasingly seen as an important phenomenon outside the developing world (Moughtin et al 1992, Brandt and Schaefer 1995, Sandbrook 1994, Korten 1990, Waldinger and Lapp 1993). This may be discussed as two broad positions: a) a standpoint which integrates the informal sector in an anti-growth, sustainable development framework or b) and one which examines informalisation as part of new and changing forms of capitalist production.

a) Those arguing from an anti-growth position see the informal sector as part of a more appropriate development model. The development approach they champion would tackle social needs through redistribution rather than economic growth and would give people greater control over their lives. Asserting the importance of informal sector-type activities in society, including self-help and community empowerment, Brandt and Schaefer (1995) raise questions about the claims of Western-style modernisation as being the end state. They express alarm at environmental and human problems attendant to the western development path of modernisation. For them (1995), alternatives lie in the small-scale, perhaps in a return to craft based production, in a greater recognition of marginalised economic activity, in lower consumption levels or in bottom up participatory development. On all these fronts, they argue, important lessons can be learned from experiences in developing countries.

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30 Although Drakakis-Smith concedes that cities are increasingly being subjected to the same forces, a process leading to "a truly global style of city" evident in both developed and developing world (1987:10).
31 Harris (1996) argues that informalisation is gaining in importance in major cities because many more productive activities are, as he puts it, slipping under the threshold of enumeration.
32 This relates to notions of bottom-up development and what has been referred to as alternative development. See Hetne (1995) and Sandbrook (1985) for an explanation of this approach. Sandbrook regards this approach as being romantic.
b) The informal sector appears to be becoming more important in advanced countries particularly in relation to "new" directions in economic systems, as Waldinger and Lapp argue: "The concept of the informal sector, first introduced in the early 1970s in studies of Africa, have recently gained currency as a tool for understanding the changes underway in advanced capitalist countries" (1993:6). On one hand, the connection is with deregulation and liberalisation (Waldinger and Lapp 1993). On the other, the parallels are with a return to flexible production for specialised markets within the context of the decline of post-Fordist mass production23 (Preston-Whyte and Rogerson 1991, Bromley and Gerry 1979). Informalisation may be regarded as a resurfacing phenomena of an earlier capitalist phase. However, Portes and Castells - in a discussion of the revival of handiwork, the burgeoning of sweatshops and a renewed interest in small scale - argue that "old forms of capitalism" become new ones when they re-emerge in new settings (1989:13).

2.3 Integration

This section affirms that cities should be conceived of and planned for as single an integrated unit. This statement may sound trite, given that few would deny the multiplicity of linkages between various kinds of economic activity in the urban system. However, the questions facing urban managers and planners are, how weak or how strong are such linkages? Do they facilitate optimal access to resources or - from an economic perspective - do they reduce costs and enhance innovation?

Cities may be characterised as markets, mechanisms of social integration, "centres of pluralism and competition" or centres of development (Peil and Sada 1985:13). All these denote multiple activities -- a vitality held together by the spatial concentration that cities represent (Lojkine 1976) or by capitalist relations of production. Thus where elements of duality exist, the economic position24 might include a range of concerns:

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23 For a detailed discussion about changing forms of production, see Storper and Scott (1991). They argue that since the 60s for various reasons, in part the inroads made by cheaper imports from the East, major manufacturing firms in the West have been forced to seek ways of increasing productivity. This has led to a shift away from the assembly line to, inter alia, outsourcing; downsizing firms through removing layers of management and exploration of teams; labour market flexibility, multi-skilling and increased casualisation of work and; just-in-time production.

24 In this regard, the striving is for maximum efficiency.
such as the extern of goods bought and sold between sectors, the ability of labour to move between sectors (especially in times of restructuring), the availability of and access to financial institutions, the flow of expertise and know-how across the interface. An effective economic strategy will seek to facilitate such linkages and thereby to reduce costs and enhance innovation. Critical for the local authority is the locational aspects involved. Does new city development - meaning, in this case, the way spaces and facilities are apportioned - ignore or break down key linkages (without examining alternatives)?

For small scale entrepreneurs, integration has important relevance. By sharing in demand for certain infrastructural services, they are part of scale economies that give cities the potential for more affordable services. Furthermore, a greater degree of integration, as implied in greater access to infrastructural services, exposes entrepreneurs to new opportunities, in the following terms (Baecker et al 1994):

- Many activities experience cost reduction when other activities are in close proximity. The scope of the market expands as road and communication links improve.
- Small firms adapt positively to the availability of piped water and electricity.

A sense of social integration is important for the efficient functioning of the city economy. If the city is not addressed in terms of its totality, the poor are said to benefit less from planning and official resources (World Bank 1993, Korien 1990). Other vexing issues for the poor, apart from inadequate service provision, are repression and harassment through orderly planning (Jamal and Weeks 1994). In many contexts, the poor struggle for a stronger sense of inclusion and in this sense want not just access to services, but also recognition for being 'respected contributor(s) to family.

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25 Bardouille (1991) says examining linkages requires knowledge about sources of inputs, origins of capital, the incidence of competition and extent of subcontracting.

26 See also Harris (1994:3). He argues that manufacturing in general appears no longer to depend to the same degree on agglomeration economies. However, "small manufacturing companies of developing countries frequently cluster together, still heavily dependent upon external economies and close locational linkages".

27 See Simon (1992) for a fuller explanation of dual cities and for that matter hybrid cities.

28 Parnell (1996), for example, refers to gentrification as a process in which commercialisation of land markets effectively relocate the poor further away from central city areas. The result is increased travel costs.
community and society” (Korten 1991: 5). Yet, all too often, urban renewal or ‘development’ holsters exclusion (Parnell 1995). Neglected by planners39, the poor then create for themselves “an informalised framework of governance” (Sintone et al. 1996:19) and the result is “a divergence between the intentions of formal policy and urban processes on the ground” (Swilling 1993).

What hinders economic development, it may be argued, is the view that fails to recognise the city as “the concentration of the totality of reproduction of capital and labour power” including collective means of consumption (Lojkine 1976:120) -- factors which determine economic development. Thus Halfani (1993) argues that to strengthen the economic base and increase productivity, the focus must be on establishing linkages between economic activities and other elements of the economic system.

Concerns for an integrated perspective are strongly expressed in the Agenda. It denounces project conception that is blind to the wider urban picture. It deplores a focus on amelioration of effects of poverty through ad-hoc improvements to neighbourhoods of the poor. Such interventions, though “reasonably successful”, failed to effect overall policy and institutional change (World Bank 1991:5). Such institutional change means, inter alia, a shift in urban government outlook - away from serving elites and narrow interests - to simultaneously plan (with and) for the needs of the poor and for the economy. Such a perspective would call for creativity and innovation in fitting those dimensions together. The agenda’s thrust then is for a city-wide perspective: in infrastructure provision, in improving financial services, in liberalising the regulatory framework. According to the agenda, city constraints in regard to these issues “limit the productivity of firms and households in producing goods and services” (1991:7).

39 Rakodi (1993) in her chapter, ‘Planning For Whom’, argues that planning has mostly groups with political power, not the poor.
SECTION B

3. Popular neighbourhoods and informal systems

This section discusses the phenomenon of informality or formalisation. These terms are used to indicate a terrain that goes beyond the informal sector\(^9\). The latter is frequently used when discussing the structure of the urban economy, modes of production or issues related to employment and the urban labour market. Sometimes, though only rarely, wider social and cultural manifestations are drawn into such discussion. But apart from these manifestations, “informality” also allows reference to various informal sectors, including informal governance and administration.

For Simone et al. (1996) a discussion of informality is tied up with the ways of life in popular neighbourhoods\(^1\). Such neighbourhoods are settlements of the poor, migrants -- and in the definition of Sa faire et al. (1975) -- of groups that have not been absorbed\(^2\) or are in the process of being absorbed. These ‘places’ have physical dimensions and can be identified “frequently irregular use of land services and urban systems” (Simone et al. 1996:19, Lloyd 1979). As important however are the social dimensions; “the collective experience of social relations, economic strategies and tactics of everyday survival.” (Simone et al. 1996:19).

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\(^9\) Some prefer the term the unrecorded or the unenumerated sector of the economy which makes more sense since the informal sector is extremely diverse (Preston-Whyte and Rogerson 1992) and cannot be distinguished from the informal sector by type of economic activity (Mazumdar in Sethuraman 1992).

\(^1\) The UNCHS argues that the appellation ‘popular’ is used because such settlements are “inhabited by low income people” (1991:4).

\(^2\) Absorption as used by Sa faire et al. refers to the process by which “newcomers and the urban poor are absorbed in the economy, society and government” (1975:III)
Of course, although the spatial manifestation is real -- and is often cast into vivid stereotypical image\(^3\) -- it needs to be qualified: popular neighbourhoods and the informality they spawn are by no means geographically bounded (O’ Conner 1983). Part of the resilience of informality is that it does not confine itself to certain spaces, and, it may be argued, is as fluid as the freedom the poor have to move about the city. As inhabitants of popular neighbourhoods -- including migrants, commuters and circulators -- move around to find work and money, they connect their locational base to the wider city and beyond.

The dynamic of popular neighbourhoods are difficult to grasp. They are very often opaque (Simone et al. 1996), sometimes appearing to close up, particularly to information gatherers and officials (Peil and Sada 1985). The difficulty is compounded by constantly changing relations, affected by change and undergoing processes of change (Peil and Sada 1985). Rapid urbanisation and migration help to fuel the pace of these changes; the latter may be in the physical structure of the neighbourhoods (including upgading), in the behaviours and practices\(^4\) of individuals (Peil and Sada 1985), in relations between groups and in settlement composition as dwellers are attracted elsewhere through (social) mobility or for closer proximity to work opportunity.

One of the many ambiguities is that people are simultaneously engaged in society-building and pursuing possibilities of a move out of the fragile viability (of neighbourhood life); many do not want to “stay put, to spend the entirety of each day or their lives trying to make a living inside the boundaries of the neighbourhood” (Simone et al 1996:20).

Informal neighbourhoods are often misjudged by outsiders. Various writers have challenged popular (outsider) assumptions by asserting that popular neighbourhoods:

- are not homogenous (Simone et al 1996).

\(^3\) See Lloyd 1979.

\(^4\) Peil and Sada (1985) describe how in larger cities, relatives move further away from each other geographically and kinship structures and family ties become less important. Also, over time, the practice of religious and cultural ceremonies decline.
- are not disorganised, lawless or anarchic, but often reflect sophisticated social organisation (Halfani 1996).

- are not characterised by a so called culture of poverty, passed on from generation to generation (Lloyd 1979).

- are not characterised by smuggling, drug abuse, theft and confidence tricks, etc.

Although such activities flourish in certain places, practitioners “are a far smaller proportion” than outsiders often think (Peil and Sada 1985: 250).

Referring to the capacity for social organisation, Halfani refers to informality as a distinct regime of urban governance (1996). Where the state poorly executes regulative, facilitative and operational functions of urban governance, niches have formed for informality and informal organisation to thrive. Such informal organisation takes many forms. This frequently includes space organisation with distinct patterns that cut across official versions (Halfani and Stren 1994). Thus popular neighbourhoods can be associated with “largely informal networks of governance which in turn configure specific urban actors, positions and possibilities” (Simone et al. 1996:1). These are held together by norms, accepted ways of doing things and collaborations. These neighbourhoods are engaged in processes of society-building.

In many cases survival means relying on teamwork (Peil and Sada 1985) and collective activity. Frequently this is practised through the extended family but, as often, collaborative initiative is based on informal contacts -- for example building workers teaming up, taxi drivers agreeing on prices or systems of operation (Simon 1992) or pressing for ranks, or marketeers fighting for space (Simone et al. 1996). Teamwork comes into play particularly with regard to childcare both intra- and inter- household. Such support is underpinned by reciprocity and the time women invest in maintaining neighbourly ties (Schlyter 1988).

These dense neighbourhood interconnections are also evident in the way information is shared. Migration (Peterson et al 1991), or circling the city to find work or money.

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*This refers to a process by which the poor have internalised negative views about themselves; it goes together with attitudes of dependency and passivity.*
(Simone et al. 1996) or informal sector activity between cities all depend on sharing information36 (Peil and Sada 1985). Through information sharing gains from one job or a deal are made to flow into a benefit for a family member or informal contact. “Going it alone” (Simone et al. 1996: 59) is often not realistic under these conditions for survival.

However, there is also tension and conflict alongside the solidarity and reciprocity. The world of informality is, in this connection, a tough world. These contacts are as likely to run into suspicion and mistrust. Various groups stake out “turf”, areas of influence and authority, which are physical and political. This may include business elites, teams working in a certain trade, gangs, women’s self help groups as well as those attached to political parties who, according to Rambampatsi (1994), intervene in other organisations that are formally independent. Tensions run along various fault lines such as gender, ethnicity as well as between those who have more power than others. According to Simone et al. (1996), urban space is increasingly defined by zones of operation, underpinned by threats of violence. Neighbourhoods develop mechanisms of internal governance as an attempt to keep what cohesion there is - and the survival chances it offers - from unravelling. In addition, the proliferation of charismatic religious groups may be seen as an attempt to side-step pressures and tensions, or to deal with such pressures from a vantage point of identification with a group claiming to be removed from the cut and thrust. According to Simone et al., increasing numbers of urban youth, whether Muslim or Christian, take part in religious functions, prayer meetings often on a daily basis.

The informal sector plays a crucial role in providing goods and services for the poor (Barleuville 1991). Some of these goods and services amount to a substitution of public provision (such as provision of education or bottom up services organised through community structures). In such cases, there is frequently assistance from non-governmental organisations (NGOs) (World Bank 1991).

36 Peil and Sada (1985) details the flow of goods between Kinshasa and Brazzaville, or between Banjul and Dakar. Because “overland links between informal sectors” are strong, most goods do not pass via customs (1985:243).
An important aspect of informality is its employment creation and enterprise aspects—the economic informal sector. In general, the numerous advantages of the informal sector have been cogently argued since the seminal work of Hart and the International Labour Organization in Africa in the early seventies (Defranco 1979, Gerry and Bromley 1979). Sethuraman (1981 and 1992) summarises the virtues of the informal sector, arguing it has enormous value because it:

- has low capital intensity (uses more labour relative to money invested);
- uses more appropriate technology;
- contributes to formation of human capital;
- uses local resources and recycles waste;
- works in markets without state support and subsidy;
- displays a high degree of reliance on own financing, with limited use of formal financial institutions.

Furthermore, even the “the formal sector’s ability to generate surplus” is for Becker et al. (1995) inextricable from the existence of the informal sector.

Of course, this picture requires qualification. The informal economic sector is dependant on the formal sector, in ways that some regard as exploitative. It relies on formal sector incomes for start-up capital (Bardouille 1991) and much of its demand derives indirectly from the presence of formal sector incomes (Becker et al 1994).

Scepticism of the sector’s potential abounds together with concerns about weaknesses. Bardouille (1991) draws attention to the lack of innovation and low productivity. Kalapula is more blunt and argues that given the sector’s low wages and associated “harsh living conditions”, it “does not create sustainable urban economics” (1994:73). However he does regard it as a useful outlet for unemployed youths and school leavers.

Nevertheless, the urban sector has perforce had to play an enlarged role rather in addressing Africa’s environment of development decline. Jamal and Weeks (1993)

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For example, informal sectors form part of the market for formal sector goods.

Per capita income in Africa declined by 2.8 percent between 1980 and 1986, and in the eighties, industrial output has fallen (Sandbrook 1994). In some countries, the decline meant “pauperisation for professionals such as teachers and bureaucrats as well as for workers and other”. (Sandbrook 1994:6)