

Exploring the "informal" economy on the streets of Cochabamba

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La Cancha, the open-air market in Cochabamba, Bolivia, where Daniel Goldstein studied the lives of street vendors as they passed back and forth between the "formal" and "informal" economies. Credit: Daniel Goldstein, Rutgers University

What do Bolivian street vendors have in common with adjunct professors in the United States?

Both are part of an "informal" economy, one that is rapidly expanding worldwide, says Rutgers anthropologist Daniel Goldstein.

In a new book, *Owners of the Sidewalk: Security and Survival in the Informal City* (Duke University Press, 2016), Goldstein explores the way the "informal" and "formal" economies interact in one Latin American city: Cochabamba, Bolivia.

"Formal" jobs come with regular salaries, tax obligations, some benefits and job security. "Informal" work comes with none of those attributes. More than half the jobs in Latin America are informal, Goldstein says. In Bolivia, he says, the informal sector accounts for nearly two thirds of the economy and employs 80 percent of the workforce.

In his book, Goldstein describes the lives of unlicensed street vendors, called *ambulantes*, who work in La Cancha, the huge, open-air market in Cochabamba.

Goldstein, professor of anthropology in the School of Arts and Sciences, attributes the rise of informal work to the rise of "neoliberal" capitalism in the 1980s and 1990s. Neoliberal capitalism allows market forces to boost profits and reduce costs. "As jobs become more informal, people's livelihoods become more insecure," he says.

The *ambulantes* include many former farmers whose agricultural subsidies were eliminated, and former workers laid off by their corporate and public employers, Goldstein says.

The United States is not immune to this global trend toward informal work. The Urban Institute estimates that several million people in the

United States may earn at least part of their living in the informal economy, and many more work as freelancers – 44 percent of U.S. adults, according to a recent poll by Time Magazine.

"Because neither informal workers nor their employers pay taxes or report earnings, it's very hard to measure the phenomenon," Goldstein says. "But we know it's on the rise just by looking around us.

Undocumented workers are examples, of course, but informal doesn't necessarily mean illegal. In American higher education, for example, we are seeing a shift away from full-time, tenure-track professor jobs with good pay and benefits to adjunct faculty. Although their work is taxed, adjuncts get paid much less, have no benefits and no [job security](#)."

Ambulantes work outside the law because they don't have city licenses. The police often choose to ignore them, but ambulantes may lose their carts, their goods and even their liberty when the police choose to enforce the law. While the ambulantes' commercial rivals, the comerciantes de puesto fijo, do have licenses to conduct business in their shops, they often engage in illegal activity, which the police also ignore. For example, Goldstein writes, they may sell or rent their licenses to other people – something entirely illegal – sell pirated goods at knocked-down prices, or even take to selling on the streets themselves.

To tell the stories of the ambulantes and fijos, Goldstein struck informal "collaborative research" agreements with the leaders of the business associations of both groups, the details of which he includes in his book.

Security is the problem for both sets of vendors. Street criminals steal their stock, wreck their personal property and scare off potential customers. Goldstein promised Don Rafo, the leader of the fijos business association, that he would conduct a scientific study of security issues in the market and print the findings in Spanish, so that Don Rafo could use it to lobby the city government for better services. He

promised Don Silvio, leader of the ambulantes association, to write an article for the local newspaper about his constituents' needs – including the lack of a location to conduct business legally, without being harassed by the police.

In the end, Goldstein delivered on his promises to both Don Silvio and Don Rafo. His article about ambulantes turned into Owners of the Sidewalk. His book for Don Rafo, titled Insecurity in La Pampa Market: Problems and Possibilities, was privately printed in Spanish and distributed locally.

Goldstein doesn't have a global solution to the problems he traces to neoliberal capitalism. But he suggests Cochabamba can improve upon its situation by better accommodating the informal work force instead of ignoring them.

"In Bolivia, as elsewhere, granting people the liberty to make a living as they can without harassment would be a start," he says. "Decriminalize the behaviors that the economy both generates and requires – like allowing people to buy the stuff illegal vendors sell. Provide equal protection to all under the law."

Provided by Rutgers University

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