Re-writing the Sustainable Development Goals from marketplaces in Argentina, Chile, Colombia and Mexico

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Abstract: The aim of this paper is to reflect on Sustainable Development Goals (SDGs) and informality which is an economy not acknowledged within the SDGs. Based on anthropological fieldwork, the article analyzes how informal, diverse economies in this case, marketplaces in different Latin American countries, might contribute to elaborate and rewrite sustainable development models. Throughout history, marketplaces in Latin America have provoked strong political debates because they operate in the informal sector and now they are increasingly being framed as tourist attractions. This creates an opportunity to reposition marketplaces as an asset in the formal economy. The informal, diverse economies constitute more than half of the GDPs in the Global South including Latin America. Despite repeated claims about the importance of informality as one of the fastest growing phenomena of our time and increasingly an issue of public and political concern, no systematic studies within tourism engages with the SDGs dealing with informality. Consequently, central to this paper is to consider integrating existing practices into SDGs to create pathways for sustainable development models.

Keywords: informal economies, Sustainable Development Goals, marketplaces, Chile, Argentina, Mexico, Colombia.

Introduction

The Sustainable Development Goals (SDGs) in tourism development address poverty alleviation, work environments, equity and equal access to resources, however limited research considers these within informal economies and tourism in urban contexts. The tourism industry contributes to the growing sustainability challenges the world faces today, and research demonstrates that facilitating participation in tourism for the informal sector, including marketplace vendors, contributes to poverty reduction (Ashley, 2002; Harrison, 2008) and is an important tool to redistribute wealth (Meyer, 2009; Trupp, 2015). Marketplaces not only allow residents or people from the surrounding villages to access the tourism system but also offer tourists a pathway to interact with the people living in the area (Clausen/Velázquez, 2017). These encounters between tourists and people living in the area (as vendors) are highly valued due to being considered to create authenticity which is one of the main purposes for tourists to visit. This is explicitly aimed for in the majority of tourism strategies all over the world, for instance the “localhood” tourism strategy developed by the destination marketing organization “Wonderful
Copenhagen” in Denmark. Yet, the marketplace vendors are often excluded from official economic and tourism policy-making and planning (Bhimji, 2010) since they belong to the sector of informal economies that are not regulated by official governments or strategies (Clausen/Velázquez, 2017).

This paper explores how locally based marketplace vendors’ practices in four Latin American cities are continually torn between policies (formal economy) and pressures (informality) from the realities of the cities they inhabit and how the practices at these markets might contribute to a different implementation of the SDGs. We suggest that the ways in which the vendors navigate and negotiate – as service providers – represent a story necessary for implementing the SDGs to create livable cities. It is necessary to embrace stories of informal, diverse economies which are one of the fastest growing phenomena of our time and, increasingly, an issue of public and political concern. By excavating practices of exchange of services and goods in marketplaces in Argentina, Chile, Colombia and Mexico we examine how these environments not only represent a historical past, but also reflect socioeconomic conditions in Latin America in which innovative models of sustainable development unfold and need to be taken seriously if ‘nobody is to be left behind’, as stated in the SDGs.

The paper is structured into four sections. After a brief discussion of the interdisciplinary literature on informality and tourism, we highlight aspects of the SGD literature related to informality. The next section details our bespoke methodology for exploring the practices in the marketplaces, before presenting and discussing our results of how they are unfolded and understood within a potential sustainable framework. We conclude that the practices in the marketplaces are not rewarded in the current SDG socio-economic and a successful implementation and transformative power partly depend on the integration of the informal economies into the SDG framework.

Informality and tourism

The term “informal sector” was first coined in 1973 by Hart (1973), in a study of the economic activities of migrants in Accra, Ghana. The term was also an outcome of a comprehensive study by the ILO employment advisory mission to Kenya which stressed the fact that informality is not a sector but a certain way of carrying out economic activities. The emergence of informal activities, which happened due to the massive labor surplus created by rural-urban migration to major cities in the Global South, was already noted by demographers in the early 1940s (Portes/Schauffler, 1993). However, the focus on pro-poor approaches to informal labor market activities in Global South contexts has led to a situation in which people’s strengths (e.g. skills, capacities, good health) have been largely neglected in favor of a focus on the stimulation of entrepreneurial activities. In the tourism literature there are a vast amount of informal exchanges of services and goods ranging from bike or taxi tours (Clausen/Velázquez, 2018), tour or city guides, food trucks or stalls to sex service and drug trafficking (Simoni, 2018).

The use of informality as an economic category and a normative standard for the measurement of economic activity is rooted in the global adaptation and domination of what we consider the Western world norms that do not necessarily correlate with other countries’ norms. Modern capitalism is implemented through legal and fiscal frameworks as well as mainstream development doctrines creating a formal versus informal view of economic activity. Such understanding overshadows economic diversity in tourism destinations. In a tourism context, informal business is considered to produce and offer cheap, and subsistence goods and services.
However, Jimu (2004) considers this point of departure hostile and even a misunderstanding of the purpose of the informal sector and suggests that ‘the informal sector is a challenge to the formal sector, because it enhances social justice by accommodating people not considered fit in the formal sector, by undermining and even displacing the formal economy’ (Jimu, 2004: 22).

Interestingly, writing from a marketplace perspective the informal sector then is considered an opportunity and might be a pro-poor strategy for marginalized and less educated people, whilst conveniently also providing goods and services to the urban residents. Meyer suggests that the informal sector reacts well to tourism growth, and that ‘a less-stringent attitude by planners towards informal activities can help to reduce the likelihood of friction developing between the industry and local people’ (Meyer, 2007: 573). Thus, from this point of view the informal sector becomes a mediator in certain locations between the local people and the tourism industry by enabling a redistribution of benefits to local people. In relation to this, by measuring the economy in this way, it structures how we think of the economy. Thus, only considering the formal economy excludes the exchanges at marketplaces which are socially and culturally embedded in the Latin American countries. Even the World Bank (2016) points out that it is important to draw more attention to the informal sector, as more lightly regulated countries produce both higher growth and also a more equal distribution of income.

Some scholarly literature focuses on vendors poverty reduction and pro-poor tourism (Scolum/Backman/Robinson, 2011), beach resorts (Henderson/Smith, 2009), and resilience of informal entrepreneurs (Biggs/Hall/Stoeckl, 2012). Others have examined human resource development and employment (Liu/Wall, 2006). Yet others have focused on macro issues such as “sharing economy” business models like Uber and Airbnb and on informal micro-finance institutions. In these studies, tourism has often been constructed as a catalyst for the economic development of the Global South (Truong, 2018). However, the focus of much research has been on the formal tourism economy. Researchers have been somewhat hopeful that informal activities would ultimately diminish and be integrated into the formal economy through improvements in Global South countries’ economies (Crick, 1992). With similar intentions, international agencies have undertaken considerable initiatives to formalize the tourism economic system. Recent studies (among others Devicienti/Groisman/Poggi, 2009; Nazier/ Ramadan, 2015) claim that informal work in some cases is a voluntary choice, rather than as a result of poverty. Household heads are more likely to take jobs in the informal sector because of economic responsibilities in the family. Various methods have been used ranging from adjusting national GDP (macro) to household surveys (micro) to define informal economies. A tentative picture of its relevance, and according to OECD (2012), this sector makes up 52% of employment in Latin America.

<table>
<thead>
<tr>
<th>Country</th>
<th>Informal sector</th>
</tr>
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<tbody>
<tr>
<td>Argentina</td>
<td>47,2%</td>
</tr>
<tr>
<td>Chile</td>
<td>40,5%</td>
</tr>
<tr>
<td>Colombia</td>
<td>47,25%</td>
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<tr>
<td>Mexico</td>
<td>53,4%</td>
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</tbody>
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As Table 1 demonstrates, a significant share (between 40.5 and 53.4%) of the working population of Argentina, Chile, Colombia and Mexico work within what often is called informal sector.

The Sustainable Development Goals

The sustainable development discourse got foothold with the Brundtland Commission’s report *Our common future*. Sustainable development is defined in the report as ‘[…] the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (World Commission on Environment and Development, 1987).

Several scholars state the potential tensions among sustainable development actors regarding whether the treatment of problems generated by industrial societies is enough to achieve greater sustainability, or whether fundamental structural changes are needed (Sharpley, 2009). Like Sharpley (2000) and Jamal and Hales (2016) suggest also this special issue calls for challenging us to think about sustainability in light of new contexts and new questions for sustainability-oriented tourism research. The last decade’s empirical studies demonstrate that we need to nuance our understanding of how to generate sustainable development approaches and models. In Latin America, some sustainable development discourses are difficult to understand without considering the theories of global modernity, which envisage diverse possible “trajectories of modernity” within the historical framework of globalization. Since the 1940s, most Latin American countries adopted a critical stance towards the prevailing hegemonic equilibrium in the international order given the unbalances observable in the “center-periphery” relations, as portrayed in the geopolitical-historical hermeneutics of dependency theory and postcolonial theories.

The neoliberal outlook, summarized in the tenets of the *Washington Consensus*, relates development univocally with the freeing of market forces and the reduction of the state to a minimum and strongly influenced the normative horizon in Latin America throughout most of the 1970s to the 1990s. In parallel, however, simultaneously to the emergence of environmental discourses in Europe and North America since the 1970s, some Latin American progressive intellectuals developed a critical stance with respect to global consensual positions on ecology and development. As several scholars have challenged the SDGs as an ethnocentric model demonstrating how it is based upon yet another model of growth-driven development which is intimate linked to ecological unsustainability and critically destroys ecosystems and breaches planetary boundaries (Escobar, 2015). The SDGs are widely criticized as oxymoronic because they erroneously foster the illusion of combining endless economic growth on a finite planet, social justice, and environmental protection. Whereas others argue for the importance of the SDGs as a common platform to creating and sharing responses for the future. The critical Latin American stance worth mentioning is: the *Latin American Global Model* (or *Bariloche Model*) of 1976 in reply to the report *The limits to growth* and the report *Our own agenda on development and environment* (*Nuestra propia agenda sobre desarrollo y medio ambiente*), as the official position adopted by Latin American countries vis-à-vis the *Brundtland report* (World Commission on Environment and Development, 1987) and the Earth Summit in Rio 1992.
Sustainable Development Goals and Informal economies

Over the decades, scholars have analyzed “informality” within an economic framework also lately integrated it into diverse or alternative economies literature. The SDGs only address directly informality in one SDG target, namely SDG 8.3:

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium sized enterprises including through access to financial services. (UN, 2019)

Though, indirectly, many additional SDGs focusing on poverty (SDG 1), gender equality (SDG 5), equality (SDG 10), institutions (SDG 16) and partnerships (SDG 17) are relevant to informality. Yet, scholarly tourism literature seems slow to address how informality is relevant and pivotal to understand the Latin American societies although it is recognized that the wider field of labor rights and workplace considerations, as SDGs 1, 5 and 8 state, is seen as being widely neglected in sustainable scholarship literature (Baum, 2018). Scholarly literature suggests that the SDGs are not going to be integrated wholesale into national policy-making (Horn/Grugel, 2018). Policy-makers are engaging selectively with those SDGs goals and targets that resonate with their national priorities and their views, partly because the SDGs are not legally binding but represent a high-level policy document that comes without tools of external enforcement and can be interpreted in different ways (Brolan, 2016). Informality is barely mentioned as other than a negative and illegal aspect which hinders economic growth and which needs to be formalized and integrated into the formal economy. One of the principal products and services that generates employment is the informal sector, even though it is denoted mostly in negative terms, as traditional, underdeveloped and backward (among others Hall, 2007) whereas the formal economy is represented as a positive driver in the economy and characterized as modern, developed or advanced. A current formulation of the sustainable economies and development models relies only on capital invested by private enterprises and the expansion of the markets, primarily in the formal sector, to deliver green jobs and technological improvements (e.g. low-cost energy) to those needing them.

Methodological approaches

Marketplaces have always attracted us and have been at the center of our curiosity in all the fieldwork we have conducted over the last twenty years throughout Latin America. Here, local residents and tourists spend hours either just walking around, enjoying the different food stalls or socializing. The methodological approach is qualitative, and for this paper, our primary source of information is ethnographic fieldwork with participant observations and numerous informal talks conducted in 2017, when we spent three weeks in each setting. We had hours of informal talks with vendors and local residents with whom we had gained some confidence during our years coming back to these markets. Although during other fieldwork stays in Latin American countries we experienced our interlocutors as enthusiastic, open and eager to talk about their lives, in the market places it took time gaining sufficient confidence to have conversations about their stalls, the market as such, the challenges and difficulties they face when working in these illegal areas of the economy. It is a sensitive political context. It is highly inadequate to record the interviews and to take notes. To protect our informants and to establish confidence, we did not record informal nor formal conversations. We did, however, carefully
take notes right after our encounters which we described in our field diaries. Our informal conversations with tourists where more randomly selected. However, we had conversations with both female and male tourists and people of different status. Additionally, we spent hours observing people to get insights about the formalities and informalities related to non-monetary as well as monetary transactions. We interviewed local authorities in each locality to get insights about the authorities, ways of controlling or lack of these.

We are aware of the fact that the study is based on interviews with people using the market with different purposes, however a qualitative approach was chosen to gain more insights into the interactions between the marketplaces’ users and local governance. Moreover, we use secondary information and conducted desk research, consulting historical archives in the municipalities, newspapers, publications and legislation from the local governments and news from social media in the respective countries. On an overall level there was a strong agreement and coherence among the interviewed people both local, vendors and tourist and the research done that marketplaces sustain the economy in general and the informal economy cannot be left of the understandings fo SDGs.

**The historical context of marketplaces**

Marketplaces were an obvious research area due to the central place they occupy in Latin Americans’ lives. Everybody uses them in one way or another, either to buy something or do the daily shopping or to have lunch or dinner. This particular place is also called *tianguis* (in Mexico and Central America) are an excellent lens and place to unfold informal, diverse economies activities in Latin America. Despite the importance of power structures and the historical and structural segregation mechanisms which contribute to millions of people joining the informal economies, the focus in this paper is unpacking the practices and modes of exchanges of goods and services taking place in the unregulated market system and how they generate value. With this, we seek to nuance the sustainable development model framed in the SDGs. In Latin America all towns, independent of their size, have their own marketplaces which encompasses a lot more than what is considered a market as we know in Western societies. Participating in the economic landscape is based on a significantly different set of rationales to those operating in Europe. Moreover, the rationales operating in Latin America are distinctive to those emerging as a result of the financial crises in Spain, Greece and Portugal where a need to supplement formal incomes has been the main driver. The rationales for participating in the informal, diverse economies in Latin America are founded on power asymmetries, unequal distribution of resources and knowledge gaps.

In the following we examine four different marketplaces in major Latin American cities in which informal economies are prevalent and are intimately linked to everyday practices and forming part of being a livable city which is one of the principal aims of the SDGs – to leave no one behind and be inclusive as part of long term sustainable development.

**Marketplaces and Sustainable Development Goals**

As described in detail in a previous publication (Clausen/Velázquez, 2017), in the scholarly literature marketplaces are perceived and analyzed as providing the local population (lower and middle classes) access to a variety of products and services otherwise outside their reach. In Chile in particular research by Olavarrieta, Manzur, Hidalgo and Fariás (2008) pays attention to the historic development of
marketplaces and how economic crisis in the 1980s led to an expansion of markets. By 2003 the country had 6000 outlets and attracted over 2 million visitors a year. Also, Argentina experienced a huge increase in secondhand markets but also illegal/copy-merchandise markets. In 1991 in Buenos Aires, La Salada, emerged and was originally organized by Bolivian immigrants with only a few stalls and now it has approximately 40,000 small stalls selling different products (Peregil, 2015). Tepito in the centre of Mexico City is another wellknown market and is a market intimately linked to trade as early as in the pre-Hispanic times. In the 1970s this market transformed into the marketplace for distribution of exchanges of illegally imported goods and services (this type of market is called fayuca). Several federal and local Mexican governments have tried to regulate and even close this market however the population has created a whole range of different social practices, internal organizations and strategies of negotiation with external actors (i.e., local and federal authorities), which have paved the market’s way to gaining relative independence (Clausen/Velázquez, 2017). All though local and federal authorities have tried to take control, they have all failed. This cannot be understood simply in terms of the capacity of the market to organize itself and advocate its interests. Rather it is about tolerance from and complicity with the authorities (Olavarrieta et al., 2008; Najar, 2001; Peregil, 2015; La Nación, 2014; Clausen/Velázquez, 2017). These markets then become alternative models of how the economy can work and where they are working.

Turning to the Sustainable Development Goal 10, on reducing inequalities within countries, proposes achieving and sustaining ‘an income growth of the bottom 40 per cent of the population at a rate higher than the national average’, which effectively relying on income growth as the way out of (income) poverty, with fiscal, wage, and social protection policies hopefully moderating capital income. However, the present study goes beyond prior research on this topic, finding that street vending is a voluntary occupational choice for some sellers, who used to work in for instance the restaurant sector. They quit their formal sector jobs because they wanted to work for themselves and maintain their family happiness. This finding suggests that a person becomes a street vendor not only because of economic difficulties or a dearth of employment. Rather, street vendors are knowledgeable informal workers who start and maintain their economic activity in consideration of costs and benefits (Nazier/Ramadan, 2015). For some of the vendors, street vending offers flexible working hours, allowing them to fulfil their familial duties or simply to relax whenever they want to. For others, this economic activity provides them with the joy of being independent and self-employed. In other words, some vendors choose to work in the streets because it is their preferred strategy to advance in life – not only economically, but also socially and emotionally (Vargas, 2016). They even consider street vending an attractive opportunity that offers them, in some cases, ‘liberation’ from poverty (they can earn money to meet their family’s needs) and exploitative work (they do not have to work long hours and are not shouted at by their boss).

Turning to the Sustainable Development Goal 8 ('Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'), in which the increased productivity, technological change and resource efficiency are implicit, the marketplaces described challenge the idea of increased productivity all though tap into the resource efficiency due to the practices of exchange of for instance IT devices. The great majority of street vendors represent an obstacle to progress and modernity while others are encouraged. Thus, urban development in this sense does not account for the role of street vending among the urban poor in terms of the provision of employment and a safety net.
Clausen/Velázquez (2002). We suggest that the failure to plan considering the needs of the urban poor has led some scholars to argue for the need of an integrated approach that takes into consideration urban informality (Song, 2016). In time, however, informality, while very much persistent, has been transformed.

These negotiated spaces are obviously perceived as a failure of the formal authorities. However, they can also be seen as a path towards just sustainabilities and a way to address inequality, since marketplaces offer opportunities to gain access to new technologies and forms of consumption (e.g. cell phones, software, films) which would otherwise be impossible to own. Marketplaces thus also come to represent a way to improve quality of life and wellbeing rather than growth and maximizing consumption.

What is remarkable about informality is that a spectrum of economic transactions from recycling computer parts to the mass import and export of consumer goods escape quantification and oversight by the state (Polese/Morris, 2015). Not only are informal transactions in goods a large share of uncounted GDP (Schneider, 2011), services and employment too have a large unregistered component. Only a small part of this informality is illegal, cross-border smuggling and the like. Much of it exists in a grey zone, the same kind of grey zone we now see with aspects of the sharing economy (Clausen/Velázquez, 2017). All though the informal arrangements have a long history of embeddedness in personalized networks of trust and reciprocal relations.

These sites have become powerful economic spaces. As resumed in the study by Clausen and Velázquez (2017) the Argentine Chamber of Commerce calculated a 55.9% increase in the sale of such products from 2013 to 2014 in Buenos Aires (La Nación, 2014). In March 2015 the Chamber counted a total of 2,659 illegal stalls, which represent an increase of 21.4% compared to 2014 (Cámara Argentina de Comercio, 2015). Turning to Colombia, the sale of illegal products generated in 2013 a surplus of 720 million US, which corresponds to approximately 1,3 trillion Colombian pesos. The most affected market sectors are the production of music and software (El País Colombia, 2014). Marketplaces contribute to urban life, its economy, sociopolitical life and in the last decades also increasingly as a tourist attraction. Even though these marketplaces have turned into strategically significant spaces of commerce, they also reproduce existing societal structures of exclusion and inequality. These informal economies yet economically significant practices carry social meanings and significance that are as important as their economic affordances for people and considering that they constitute half the economy in these countries enabling the SDGs to create impact and long-term sustainability the development goals need to take the informal economies into consideration. By excavating the variegated exchange of practices in services and goods in marketplaces we also believe that, given the sheer size and importance of informal economies to the formal economy, protecting the earnings and promoting livelihood of urban informal workers will be key to unfolding and implementing the SDGs.

**Discussion and conclusions**

Critical research on sustainability and informality has primarily pointed to how to integrate the informal economies into the existing formal regulations and tax systems. The exchange of services and goods are routinely stigmatized, penalized and even criminalized. Our findings support this. However, our findings add a further dimension to this analysis by emphasizing marketplaces occupying a significant role in societies through resolving pragmatic challenges. The marketplace
vendors appear to integrate into the formal economy through contributing to societal growth, whilst discretely prioritizing other adaptation activities that they consider more appropriate (creating new spaces for recycling and repairing IT items for instance). The marketplace thus becomes a space for managing multiple conflicting interests between the formal and informal economies by seeking negotiated solutions. The informal exchanges, for instance, generate employment for marginalized and excluded segments of the population, especially for the youth who do not have access to the educational system or job opportunities within the formal economic system.

These transactions, non-monetary as well as monetary practices, might be yet another way for the populations in Latin America to express their critique in a non-violent way of the existing political and economic model implemented by the governments in this region. Tianguis in Latin America are pivotal pathways for poor people to access the world of new technologies and products which otherwise would be out of reach. These particular spaces are turning consumption into a more sustainable alternative by re-using and repairing goods and products such as computers and cell phones. However, for the middle and upper classes, the new technologies are an additional tool providing access to an international arena representing and constituting new forms and practices of economic, sociocultural and political integration with their national as well as international peers.

Unfortunately, none of these concerns are adequately addressed by the SDGs. Target 8.5 calls for ‘decent work for all’ and ‘equal pay for work of equal value,’ and Target 10.4 calls for ‘wage and social protection policies,’ but there are no quantified objectives and no mention of global standards. Targets 2a and 10a call for fairer trade rules, but these have been included only as supplementary or subordinate objectives. Target 10.6 calls for ‘enhanced representation and voice for developing countries in decision making in global international economic and financial institutions’, but provides no objectives for shifting voting power. Target 17.1 calls for improving domestic capacity for tax collection, but offers no concrete policy objectives (such as country-by-country reporting, global minimum corporate tax, etc.) and says nothing about the tax haven system controlled mostly by rich countries. Target 17.4 calls for debt ‘restructuring’, but says nothing about debt cancellation. Most importantly, resolving the contradictions of the SDGs requires rethinking the use of GDP as an indicator of progress a purpose it was never intended to serve (Fioramonti, 2013). Thus, the informal economies are integrated into sociocultural, political and economic networks where they become an extension of well-established and historical practices of collaborative production and consumption which need to be explicitly addressed in the SDGs to generate long-term sustainability.

Although studies by Horn and Grugel (2018) suggest that SDGs are not simply taken off the shelf and implemented, and some SDG goals are emphasized by governments whilst others are sidelined and thereby the SDGs are not to be perceived as coherent, in this chapter we have aimed to advance conceptualizations of sustainable development models which currently seem to be more than marginal to the understanding of the SDGs, although well-functioning for centuries in Latin American societies. In this way, we have demonstrated that there are deeply historical sustainable development models that operate at the margins of the formal sphere and that bear little resemblance to the SDGs. In line with recent scholarly literature (Truong, 2018; Vargas, 2016) we also argue for the need for more knowledge about the ways in which informal workers, for instance street vendors, organize their work. This knowledge can facilitate a path towards negotiating innovative models of sustainable development depending on context and
potentially explore new forms of regulation, which can inspire urban planners to design and develop projects that integrate the current practices of street vendors and create a basis for livable cities.

References


Clausen/Velázquez


