

AAPS Planning Education Toolkit: The Informal Economy

Suggested session plans and activities



| | Theme | Goals and objectives | Methods / Session plan ¹ | Resources, links and references |
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| 1. | Introductory Lecture: The Informal Economy – What is it and why should we study it? | <ul style="list-style-type: none"> Using the latest facts and figures, demonstrate that informal work is, in most African contexts, the norm and thus a critical issue for planners to engage with. Clarify definitional issues. Outline the course content and structure. Get to know how the students understand informality as well as their direct experience of it. | <p>Lecture: This session would be primarily an interactive lecture.</p> <p>Student sharing: Each student could introduce themselves and their backgrounds, proceeding to reflect on the forms of informal work they come across every day. If they themselves or any of their family members have worked in the informal economy, they should be asked to give details of these activities. This is useful in drawing quieter students into class discussions throughout the duration of the course.</p> | (Hart 1973; Rakowski 1994) |
| 2. | Early debates – the informal sectors role in development | <ul style="list-style-type: none"> To grapple with different schools of thought regarding the causes of informality; the relationship between the formal and informal economies and the role of the informal economy in economic growth. The student debate aims to reinforce students understanding of the different positions but also aims to hone their ability to develop an argument and to use empirical evidence to back up theoretical positions. | <p>Student presentations²: With reference to the literature, each presenter must choose one of the two broad approaches to the informal economy – structuralist (Portes et al.; Moser) and legalist (De Soto). (If there are three presenters, the third should look at the ILO's position.) The presenters must first describe the approach and then advocate for it – i.e. present the strongest possible case for the position.³</p> <p>Student debate: Divide the class into groups, assigning different positions to different groups. Drawing on the literature they have read so far but also their first hand experience of the informal economy they should make <i>the strongest possible</i> case for the position they have been assigned.</p> | (Castells and Portes 1989: ch 1; De Soto 1989: ch 1&8; Meagher 1995; Moser 1978) |

¹ The design assumes 10 sessions of between 2 and 2.5 hours.

² Since student presentations are often of varying quality, summary slides of the main points of the session should be prepared by the course convenor and delivered either after the student presentations or at the end of the session. This reinforces the priority issues but also allows for any confusion to be ironed out.

³ Group work is suggested here since, although sometimes challenging, this prepares students for collaboration in future professional contexts. It is suggested that a portion of their mark should be allocated to how well they have worked together as a group.

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| 3. | Empirical evidence – recent statistics reflecting the size and significance of the informal economy; differentiation within the informal economy | <ul style="list-style-type: none"> To review existing data, discern trends and summarise. To grapple with the differentiation and segmentation evident within the informal economy. Using the three livelihood profiles (Appendix A) to outline how divergent different worker groups’ needs and experiences are. (The extra exercise aims to familiarise students with national data gathering norms and critically assess how informal economies are measured.) | <p>Student presentations: Highlight the main data trends concerning the size and significance of the informal economy. (The learning exercise here is to discern what information is more or less important amongst a large volume of data.) Informed by empirical evidence, outline the different ways in which the informal economy is segmented. Detail which segmentation might be most useful for planners.</p> <p>Student discussion: Drawing on the three sector profiles (Appendix A), reflect on the differences between the three worker groups in terms of their use of space, and the implications this might have for planning interventions.</p> <p>The session could end with students being asked which sector / segment of the informal economy they are considering for their main assignment. The course discussion will be much richer if the students choose these early.</p> <p>(Optional extra) Student exercise: Source the relevant national labour force survey and get students to analyse where there may be under-counting and under-representation of informal workers.</p> | <p>(International Labour Organisation 2002) and www.wiego.org</p> <p>Three livelihood profiles on street traders (Roever), home-based workers (Sinha) and waste collectors (Dias) – Appendix A of this toolkit.</p> |
| 4. | The role of the state / planners in the informal economy: Part 1: Conceptual debates | <ul style="list-style-type: none"> To grapple with different perspectives on the role of the state and planners in both generating and supporting informal economies. | <p>Student presentations: Summarise the different positions on the role of the state and planners in generating and/or supporting informal livelihoods. Outline the position you find most convincing, justifying your position.</p> <p>Student debate: In what way might planning traditions and tools be a generative part of the ‘problem’ of informality?</p> | <p>(Chen 2007)</p> <p>(Roy 2009a; Roy 2005, 2009b; Yiftachel 2009)</p> |
| 5. | The role of the state / planners in generating informality: Part 2: Case Studies – Warwick Junction and Operation Murambatsvina | <ul style="list-style-type: none"> To interrogate the elements of planning traditions and practise that hinder livelihoods. To interrogate where planners have integrated informal workers into urban plans how have they approached this issue. | <p>Student presentations: Critically analyse the two case studies. What role have planners played in each case? What broader lessons can be learned from these cases?</p> <p>Student discussion: What do these two cases suggest for planners and future planning practice in African cities?</p> | <p>(Dobson and Skinner 2009; Kamete 2007; 2009; Potts 2007; Tibaijuka 2005)</p> <p>www.marketsofwarwick.co.za/asiye-etafuleni</p> |

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| 6. | Economic debates – formal informal linkages; subsector analysis and the ‘value chain’ approach | <ul style="list-style-type: none"> • This seminar builds on the discussion about differentiation within the informal economy and aims to give students knowledge of a particular analytical tool that allows for strategic, economically informed interventions to support the informal economy. • To introduce the idea of spatial clustering as a means of supporting livelihood activities. | <p>Student presentations: Outline what value / commodity chain analysis is, and how it could be best applied to understanding a particular segment of the informal economy. With reference to one segment within the informal economy or one sector group, outline the potential economic advantages of spatial proximity. In an ideal environment, what additional services should be provided to further support informal activities?</p> <p>Discussion: Divide the class into three groups. Assign to each one an informal sector – home-based workers, street traders and waste collectors. Each group should outline the formal – informal linkages for that sector, identifying different value / commodity chains. Where are the key ‘leverage points’ for planning intervention?</p> | <p>(Lund and Nicholson 2003; McCormick and Schmitz 2001)</p> <p>(Meagher 2007)</p> |
| 7 | Political debates – the role of civil society; how do informal workers organise and what implications does this have for planners? | <p>This session reviews:</p> <ul style="list-style-type: none"> • different ways in which politics of informal workers has been understood, • recent empirical evidence concerning informal worker organisation, • two cases of organisations that have led to relatively secure urban livelihoods – the Self Employed Woman’s Association in India and waste picker co-operatives in Latin America (particularly in Belo Horizonte, Brazil). | <p>Student presentations: Reflect on different understandings of how informal workers act collectively and represent themselves politically. What are the trends in Africa? What role has collective action played in securing livelihoods internationally?</p> <p>Guest input: A representative from a local informal economy worker organisation should reflect on their experience of organising workers – what tactics do they use in securing gains for their members and what are the challenges?⁴</p> <p>Student discussion: In the segments of the informal economy they are most familiar with, how are workers organised?</p> | <p>On the nature of worker organisation (Bayat 2000; Lindell 2010 ch.1.)</p> <p>On those interested in SEWA (Bhatt 2006; Chen 2004) and waste co-operatives (Dias 2011; Medina 2007)</p> <p>A brief case study of SEWA is provided as part of this toolkit.</p> <p>Also see: www.sewa.org www.streetnet.org.za www.inclusivocities.org.</p> |

⁴ In June 2011, the AAPS signed a memorandum of understanding with the global research-policy network Women in Informal Employment: Globalising and Organising or WIEGO (www.wiego.org). One of their core constituencies are membership based organisations of the working poor. They have a substantial database of informal worker organisations who are either their members or have agreed to be listed on their databases. As part of the MoU, AAPS members are encouraged to contact these organisations and involve them in planning educational coursework as much as possible.

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| 8. | Planning practices and how they shape informal livelihood activities. | <ul style="list-style-type: none"> This session aims to critically reflect on the implications of planning practice – from citywide design to small-scale service delivery and urban design – for the manner in which different worker groups are regulated. | <p>Guest input: A mid level planner employed in the local authority who could give an overview of the city's approach to the informal economy. This should ideally include a site visit of a case in which the local authority is intervening to support those working / living informally.</p> <p>Student discussion: Prior to this session students should have prepared a one-page reflection on how planning practice might potentially affect the livelihoods of one of the three worker groups. Alternatively, they could reflect on a case of planning and informality with which they are familiar. These can be shared in the class.</p> | (Brown and Lloyd-Jones 2002) (Nohn 2011) |
| 9. | Planning processes – given what we now know of the informal economy, what planning approaches are likely to facilitate / support the informal livelihoods? | <p>(This session should relate back to and draw on issues raised in other courses such as planning theory. The AAPS educational toolkit for the theme of 'Actor Collaboration' would also be useful here.)</p> <ul style="list-style-type: none"> To critically evaluate different approaches to consultative and planning practice. | <p>Student presentations: Summarise Healey and Sandercock's approaches to planning practice. Do these approaches have resonance for contexts in the South in general and for planning for informality in particular?</p> <p>Student discussion: What does this literature suggest for how you should go about planning for the segment of the informal economy selected for your main assignment?</p> | (Healey 1998; Healey 1992) (Sandercock 1999; Watson 2002) |
| 10. | What constitutes a 'modern' African City and how do informal workers fit? | <ul style="list-style-type: none"> Revisiting the global / world cities debates and critically assessing what these developmental discourses mean for economic development planning in general, and informal economic development planning in particular. | <p>Student presentations: Outline the global / world city paradigm as it relates to urban policy. Critically assess what implications this has for planning for the informal economy.</p> <p>Student debate: What constitutes a modern African city?</p> | (Beaverstock et al. 2002; Robinson 2002) (Simone 2004 ch. 1.) |

The course could end with students presenting the main findings for their final assignment. This will provide students with an opportunity to receive feedback before undertaking their final written submission, and will also allow students to learn from each other. A nuanced picture of the local informal economy will emerge.

Optional extra

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| <p>Strategies for support – microfinance, financial services, training</p> | <ul style="list-style-type: none"> • What is the nature of the trade off between poverty alleviation and financial sustainability in microfinance arrangements? • How does the new 'client-centred' approach inform the way financial services should be offered to workers in the informal economy? How might this influence the financial sustainability/poverty alleviation debate? • Critically assess alternatives to microfinance support for those working informally. | <p>Class debate:</p> <ul style="list-style-type: none"> • Should MFI's be subsidized? • Assess the strengths and limits of MFI's in supporting those involved in informal work. | <p>On Micro-finance (Cohen 2002; Elliot et al. 2008; Marr 2006; Morduch 2000)</p> <p>On training: www.ilo.org</p> <p>On microfinance: www.microfinancegateway.org www.cgap.org (CGAP or the Consultative Group Assisting the Poor has information on international best practices for microfinance institutions)</p> <p>On models of financial services: www.sewa.org.</p> <p>On social protection for the informal economy (Lund and Srinivas 2000)</p> |
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