

**Title of the Paper:**  
**RECONCEPTUALIZING THE “INFORMAL SECTOR” IN UNDERDEVELOPED COUNTRIES: SOME COMPARISONS BETWEEN BRAZIL, INDIA AND SOUTH AFRICA**

**Author**  
**Alexandre de Freitas Barbosa**

alexandre@observatoriosocial.org.br

(Senior researcher at Social Observatory-Brazil and Professor of IE-UNICAMP at the GLU Programme; Email address: alexandre@os.org.br)

The purpose of the paper is fourfold. At first, it seeks to shed new light on the debate about the so-called “informal sector”. It intends to recapitulate the theoretical history of this category, starting from the paper written by Keith Hart and the ILO mission to Kenya, both dating back to 1972; proceeding with the contributions made by Sethuraman and Tokman in the seventies, which developed from within the ILO umbrella different approaches; revising the debate how it developed in the eighties, for which Portes and Castells brought interesting inputs, up to the point where the ILO adopted, in 2002, the concept of “informal economy”.

Even though we assume the recent ILO definition represents a methodological advance, we also believe that for it to be manageable empirically we need to go back to some of the assumptions held in the seventies. Moreover, there is a need to stress what is the specificity of the informal sector in the underdeveloped countries, otherwise we may be close to stating that “we have all become informals”.

By underdeveloped countries, we mean countries with particular social and economic structures, which were constructed following different historical patterns than the ones

found in the developed ones, even though these were shaped by the way they internalized capitalists' production forces and relations of production due to a subordinated integration in the ever-changing international division of labour.

The second step is to give an overview of the similarities and differences of the urban informal sector in three underdeveloped industrialized countries of the South, Brazil, India and South Africa. This is not an in-depth analysis, but a first attempt to compare the methodologies arising from these countries' respective labour surveys. This effort would allow for putting forward some hypothesis concerning the different shapes of the urban informal sector in these countries and the various ways it relates to the overall labour market. Moreover, distinctions would be emphasized with the current pattern observed in the developed countries.

The third part of the analysis would get down to the issue of the informal sector in big metropolitan areas of the "Third World", benefiting from primary data and secondary analysis on the shape of the informal sector in Johannesburg, Mumbai and São Paulo.

At the end of the paper, it is our aim to reflect upon the main challenges faced by the labour movement in these countries in order to deal with the issue of informalisation and precarization. Our perspective is mainly that we are talking about an "animal" which only very slightly resembles the one encountered in the developed countries. In this regard, "the fight against informality" should take into account a different and particular set of policies.

The paper, thus, combines different methodologies. The first part seeks to review and summarize the theoretical debate, from the seventies up to now. It shows how the discussion on the informal sector evolved, presenting the principal currents of thought and their underlining assumptions. It also attempts to unveil the advantages and shortcomings of the present ILO concept of informality, as a choice undertaken after a heated debate.

Parts 2 and 3 seek to discuss how this choice may open ground for digging into the specificity of some underdeveloped countries which were able to structure powerful industrial bases without eliminating informality. We argue that the urban informal sector in these three countries is much more heterogeneous than the one recently discovered in the developed countries. This hypothesis will be “tested” using the data furnished by the Brazilian, Indian and South African labour surveys and some case studies dealing with the metropolitan areas already mentioned.

The fourth part of the paper focuses on this heterogeneity of informality and on the multiple links between the informal and formal sector in these very specific underdeveloped countries, leading to impressive challenges from the labour union movement’s perspective. To tackle these issues, labour unions in these countries should have an understanding of the “indigenous” dynamics of the informal sector – which depends on the country’s position in the international division of labour, the patterns of industrialization and urbanization, the recent impacts of neoliberal policies and the way the excess of labour supply was filtered into the urban metropolitan areas - in spite of importing supposedly universal concepts.