

Rethinking Urban Informality in the Global South: From Survival Strategy to Alternative System Of Urban Production

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Abstract- Urban informality has historically been framed within planning discourse as a manifestation of illegality, disorder, and institutional failure. This paper challenges such conventional interpretations by conceptualizing urban informality as an alternative system of urban production, particularly within cities of the Global South. Drawing on interdisciplinary insights from Urban Planning, Urban Sociology, and Development Studies, the study interrogates the structural, economic, and governance dimensions of informality. It argues that informal systems spanning housing, economic activities, and service provision operate through adaptive, decentralized, and socially embedded mechanisms that often outperform formal systems in responsiveness and accessibility. Using illustrative references to cities such as Lagos and Mumbai, the paper demonstrates how informality is not external to formal planning but is co-produced through state practices and regulatory ambiguities. The study concludes by advocating for a paradigm shift from eradication-focused policies toward integrative planning frameworks that recognize informality as a legitimate and essential component of urban development.

Keywords: Urban Informality, Global South, Informal Economy, Urban Governance, Planning Theory

I. INTRODUCTION

Urban informality remains one of the most persistent and defining features of cities in the Global South. From informal settlements and street vending to unregulated transportation systems, informality shapes both the physical and socio-economic landscapes of rapidly urbanizing regions. Conventional planning narratives have long positioned informality as a problem to be eradicated—an aberration from the idealized formal

city. However, such perspectives are increasingly inadequate in explaining the scale, persistence, and functionality of informal systems.

In cities like Lagos, informality is not marginal but central to urban life. A significant proportion of the population relies on informal housing, employment, and service networks for survival. This raises critical questions: Why does informality persist despite decades of formal planning interventions? And more importantly, can informality be understood not as failure, but as an alternative mode of urban production?

Aim of the Paper

This paper argues that urban informality should be reconceptualized as a parallel system of urban production, one that operates with its own logic, governance structures, and economic rationalities. By reframing informality in this way, the study contributes to a growing body of literature that challenges dominant planning paradigms and calls for more inclusive and adaptive urban policies.

II. THEORETICAL FRAMEWORK

The conceptualization of urban informality has evolved significantly over time. Early modernization theories viewed informality as a transitional phase that would disappear with economic development. However, scholars such as Hernando de Soto argued that the informal economy represents untapped entrepreneurial potential constrained by excessive regulation. While influential, this perspective has

been critiqued for oversimplifying the structural inequalities that produce informality.

More recent scholarship, particularly by Ananya Roy, reframes informality as a mode of urbanization rather than a sector. Roy argues that informality is produced through state practices, where legality and illegality are selectively applied. This perspective highlights the role of governance in shaping informal systems, challenging the binary distinction between formal and informal.

The theoretical contributions of Henri Lefebvre, particularly the concept of the “Right to the City,” further enrich this discussion. Lefebvre emphasizes the rights of urban inhabitants to participate in and shape urban space, a principle that resonates strongly with informal practices of land occupation, self-built housing, and grassroots economic activity.

Together, these perspectives provide a foundation for understanding informality as a dynamic, negotiated, and deeply embedded component of urban systems.

Urban Informality as a system of Urban Production;
Informal Housing Systems

Informal settlements are often characterized by self-built housing, incremental development, and flexible land-use patterns. In areas such as Makoko, housing is constructed using locally available materials and evolves over time in response to household needs and economic conditions. While lacking formal planning approval, these settlements demonstrate remarkable adaptability and efficiency in land use.

Rather than viewing such environments as chaotic, it is more productive to understand them as alternative planning systems, ones that prioritize affordability, proximity to livelihoods, and social networks over regulatory compliance.

Urban Informality as a system of Urban Production;
Informal Economic Systems

The Informal Economy constitutes a significant share of employment in many developing countries. Activities such as street vending, small-scale manufacturing, and informal transportation provide livelihoods for millions of urban residents.

In cities like Mumbai, areas such as Dharavi function as major economic hubs, generating substantial economic output despite operating outside formal regulatory frameworks. These systems are often more accessible and responsive than formal markets, particularly for low-income populations.

Urban Informality as a system of Urban Production;
Informal Governance and Negotiated Legality

Urban informality is not synonymous with the absence of governance. Instead, it involves complex systems of negotiation, where informal actors interact with state institutions, local authorities, and community organizations.

The concept of “negotiated legality” captures this dynamic, where informal activities are tolerated, regulated, or occasionally suppressed depending on political and economic considerations. This blurring of formal and informal boundaries underscores the co-produced nature of urban systems.

III. CRITIQUE OF FORMAL PLANNING SYSTEMS

Formal urban planning systems in many Global South cities are often rooted in colonial legacies, characterized by rigid zoning regulations, exclusionary standards, and limited adaptability. These systems frequently fail to accommodate the realities of rapid urbanization, leading to widespread non-compliance.

In Lagos, for example, formal housing supply remains insufficient to meet demand, pushing a large portion of the population into informal settlements. Similarly, stringent licensing requirements and bureaucratic barriers exclude many from participating in the formal economy.

This disconnect between planning frameworks and urban realities highlights the limitations of top-down approaches and underscores the need for more flexible and inclusive models.

IV. REFRAMING URBAN INFORMALITY

Reframing informality requires a shift from deficit-based narratives to recognition of its strengths.

Informal systems are:

Adaptive: Capable of responding quickly to changing economic and social conditions

Inclusive: Providing access to housing and employment for marginalized populations

Resilient: Sustaining livelihoods in the face of economic uncertainty By acknowledging these attributes, planners and policymakers can move beyond simplistic notions of eradication and engage more constructively with informal systems.

V. POLICY IMPLICATIONS

A reconceptualization of informality has significant implications for urban policy:

1. Integration over Eradication

Policies should focus on upgrading informal settlements rather than demolishing them.

2. Participatory Planning

Engaging local communities in decision-making processes enhances legitimacy and effectiveness.

3. Incremental Development Approaches

Supporting gradual improvements in housing and infrastructure aligns with existing informal practices.

4. Regulatory Reform

Simplifying procedures and reducing barriers can facilitate the transition from informal to formal systems where appropriate.

CONCLUSION

Urban informality is not merely a symptom of planning failure but a fundamental component of urbanization in the Global South. By conceptualizing informality as an alternative system of urban production, this paper challenges dominant narratives and calls for a more nuanced understanding of urban dynamics.

Recognizing the value and functionality of informal systems opens up new possibilities for inclusive and sustainable urban development. Rather than seeking to eliminate informality, Planners must learn to work with and integrate its strengths into broader urban strategies.

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