

Informality as Borrowed Security: Contested Food Markets in Dhaka, Bangladesh

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Introduction

This chapter follows Ananya Roy's (2009, p. 82) notice that informality is as much the purview of squatters and slum-dwellers as it is that of wealthy urbanites. By taking food wholesale markets in Dhaka (Bangladesh) as a case, this study emphasises the negotiability of merchants' rights to appropriate and utilise public land for their marketing activities. In order to achieve a minimum of tenure security, Dhaka's food traders rely on informal arrangements with power brokers of the urban arena. Erratic market demolitions by the state suggest that these informal arrangements are jeopardised from time to time. Accordingly, it is argued that any informal tenure security in Dhaka is nothing but borrowed.

The Great Transformation of Informality

Since its 'discovery' by the anthropologist Keith Hart and his colleagues within the frame of the 'employment missions' of the International Labour Organization in the 1970s (ILO 1972), the notion of informality has encompassed an increasing number of meanings and referred to highly heterogeneous phenomena and measurement methods (see McFarlane and Waibel in this volume). Traditionally, informality was used in a categorical and rather essentialist way in order to identify the 'informal sector' or the 'informal economy' (cf. Hart 1973; Moser 1978; de Soto 1985; Castells and Portes 1989; de Soto 2000). The notion enabled scholars and practitioners to subsume the highly heterogeneous urban economies of day laborer, beggar, hawkers, street food vendors, waste-pickers, backyard artisans, or domestic service providers – just to name a view – under one single category that was defined by an ever growing list of characteristics, ranging from self-employment, a small number of employees or easy market entry to lack of authorisation, tax evasion and illegality. Despite all differences between the authors, a rather clear-cut division line was drawn between the formal and the informal.

In the mid-2000s, informality was re-framed by Nezar AlSayyad and Ananya Roy (2004) as a particular 'organizing urban logic'. From their point of view,

informality does not refer to any fixed labelling of social entities and economic sectors, but rather to a specific mode of urban governance that is characterised by the constant negotiability of value: “If formality operates through the fixing of value, including the mapping of spatial value, then informality operates through the constant negotiability of value and the unmapping of space” (ibid., p. 5). This conceptualisation changed informality from being an anomaly to becoming normality, from being the pre-modern residual of the not-yet formalised to becoming the prevailing governance mode of late-modern cities.

This re-interpretation implied a transformation of the former economic concept into one that was applied to all kinds of socio-political struggles in urban arenas in order to unravel the production and reproduction of the manifold ambiguities of present-day urban reality (Hossain 2011, p. 275). The ‘informal sector’ was displayed as a kind of ‘shadow economy’, located somewhere ‘outside’ of the state. Roy (2009, p. 84), on the contrary, highlighted the fact that informality “exists at the very heart of the state and is an integral part of the territorial practices of the state power”. As such, she rejected any monolithic ideas of the state as being a neutral facilitator and directed attention to real practices of city authorities and other regulators that together constitute the urban arenas (cf. Etzold, Keck, Bohle and Zingel 2009, p. 5ff).

In due consideration of Ananya Roy’s understanding of the term, a number of studies have been published that focus on urban informality in Dhaka, Bangladesh – which is in the focus of this chapter. Kirsten Hackenbroch, Sabine Baumgart and Volker Kreibich (2009) investigated the informal production of space in Dhaka’s slums. Benjamin Etzold (2011) studied how poor street food vendors avoid being evicted by local police forces and struggle for their ‘right to the city’. And Shahadat Hossain (2011) highlighted the informal dynamics of the relations between the public water supply authority and the urban poor. This chapter contributes to this discussion by studying the constant negotiability of food wholesalers’ rights to appropriate and utilise public land for their marketing activities. Wholesalers are usually not in the focus of informality studies, as they are perceived as economic heavyweights that are less exposed to social exclusion or governmental eviction drives. However, this is not always the case. By discussing the issue of contested food markets in Dhaka, this chapter seeks to highlight the fact that informality is “as much the purview of wealthy urbanites and suburbanites as it is that of squatters and slum-dwellers” (Roy 2009, p. 82).

Legitimacy, Space and Informality

From the perspective of neoinstitutional organisation theory, business organisations of whatsoever type require more than material resources and technical information if they are to survive and thrive in their social environments. They also need social acceptability, credibility and legitimacy (Scott, Ruef, Mendel and Caronna 2000, p. 237). According to Mark Suchman (1995, p. 574), legitimacy is conceived as

a generalised perception that the actions of a social entity are desirable, proper and appropriate within a given system of social rules. As such, legitimacy is not understood as a possession of a single business organisation, but rather as a statement that is awarded a number of business organisations from a broader public audience (ibid., p. 594).

With Richard Scott (2008, p. 59ff), three types of legitimacy can be distinguished. The first type of legitimacy is understood as conformity with given sets of formal rules, such as governmental regulations and licenses. Those enterprises are perceived as legitimate that are legally established and operate in compliance with existing law. The second type of legitimacy puts more emphasis on normative elements and focuses on the question whether business organisations act in accordance with given moral concepts and value systems. As such, those firms are legitimate whose activities are perceived as proper or desirable. Finally, the third type of legitimacy refers to the cultural frames of society and rests mostly on routines and tacit taken-for-granted understandings of the world. Accordingly, legitimacy can also stem from sharing the same definition of a situation or the same frame of reference.

Scott (ibid., p. 61) points to the fact that, in most cases, legitimacy is a matter of conflict and negotiation. A business organisation can be perceived as legitimate by reference to its legal character while, at the same time, it can be framed as inappropriate and illegitimate due to its operations that are identified as incompatible with moral standards. Similarly, governmental regulations can be seen by some as legitimate due to their legal character but, at the same time, as illegitimate by others due to their underlying assumptions on reality or their defective implementation. For the case of this study, such conflicts can be understood as discrepancy between the 'we consciousness' of focal enterprises and the 'they consciousness' that is ascribed to them by others (Adelstein 2010, p. 345f).

In Dhaka, such struggles for legitimacy ignite more often than not in regard to the appropriation and utilisation of public space (cf. Hackenbroch 2010, p. 44). One case in point is contested food markets. Despite their outstanding role for urban food provision, from time to time, some of these markets become victims of the state that appears as "erratic regulator [...] oscillating between continuous neglect and excessive strikes" (Kombe and Kreibich 2012, p. 1). In Dhaka, food wholesale markets operate widely uncontrolled over large periods of time, but then become subject to the state that intervenes with suddenness and ferocity, *inter alia* by means of partly demolitions or even entire evictions of markets. In this study, the concept of informality is used to shed some light on the informal politics of the state that lead to the constant negotiability of wholesalers' rights to appropriate and utilise public places for their marketing activities and that result in highly insecure tenure and in volatile legal statuses of entire markets.

Informal politics can be comprehended by referring to the work of Erving Goffman (1959, p. 106ff) who introduced the general distinction between society's 'front' and 'back regions'. Accordingly, the front region can be said to contain all those decisions that are brought about by formal political entities, such as

parliaments, courts and the government, and that are presented to the wider public audience. The back region of politics, on the contrary, refers to arcane governance modes and to decisions that are brought about 'behind the scene' in the absence of a wider public audience. Even though it is extremely difficult – if not impossible – to directly study the political back region, its (negative or positive) outcomes can be observed. Perceived through the lens of informality, the state does not appear as the general facilitator that provides business organisations the fundamental security to access and utilise public land. The state rather appears as a source of uncertainty and insecurity itself that must not be neglected when discussing urban economies. As it will be shown, Dhaka's municipality not only provides such rights only temporarily. It decides upon the legality and illegality of the usage of public land in a rather arbitrary fashion. By means of informal negotiations, food wholesalers seek to achieve at least a minimum of tenure security.

Dhaka's Food Wholesalers in the Urban Arena

Food wholesalers play a pivotal role within the food system of Dhaka by sustaining constant resource flows to the city. Wholesalers are defined as business organisations that are dedicated to the sale of products to anyone else but to final consumers, i.e. to retailers, hawkers, street food providers, canteens, restaurants, etc. Usually, rice and fish wholesalers – that are in the focus of this study – manage the supply and sale of 3,000 metric tons of rice and 700 metric tons of fish every single day, predominantly by means of strong social relations to well-trusted business partners (Keck, Bohle and Zingel 2012). Dhaka must be perceived as an island of plentitude, as the availability of staples is clearly above national average – not least due to the wholesalers' constant efforts (Keck 2012).

The traders are crucial intermediaries between providers and suppliers on the one hand, and retailers and consumers on the other. At present, there are 87 food wholesale markets within the area of Dhaka City Corporation (DCC). Markets are understood as a composition of wholesalers in direct proximity to each other who organise the exchange of goods under a specific set of institutions at a specific place. From these markets, there are 24 for the sale of rice and 13 for the sale of fish with an estimated number of 1,700 wholesalers (approx. 800 rice and 900 fish wholesalers). The merchants' average daily turnover amounts to 3,800 kg rice and 800kg fish. Their monthly expenses between 32,000 (rice traders) and 63,000 Bangladesh Taka¹ (fish traders) are substantial compared to those of retailers or street food vendors. Nonetheless, there are great disparities amid the wholesalers: The top 10.0 per cent of Dhaka's fish wholesalers sell 39.0 per cent of the total fish turnover that is traded at Dhaka's wholesale markets, while the bottom 10.0 per cent sell only 2.0 per cent; respective figures for rice wholesalers are 35.0 and 2.0 per cent.

1 100 Bangladesh Taka equal at present (21.03.2012) \$1.201 US.

The urban arena is understood after Etzold et al. (2009, p. 7) as social space that is attached to a particular place and that comprises all those actors who are most of the time physically absent, but who nevertheless have an impact on the functioning and the organisational patterns at place. From the perspective of food wholesalers, this arena comprises all relevant governmental and non-governmental regulators of food wholesaling in Dhaka, namely the central government and the municipality, private and governmental financial institutions, and the land lords of the market places. In the following paragraphs, all three actor groups are discussed in regard to their relevance for the food wholesalers. The first part of this study discusses the role of the state and of financial institutions in order to show the difficulties in assigning Dhaka's food wholesalers either to the formal or to the informal sector. The second part shifts the focus on public markets and aims at providing some background information about the issue of land tenure on these markets. The third part of the study presents two examples of market places whose merchants have become victims of recent state-induced demolition and eviction drives that took place in 2008, shortly after the interim government took office. The fourth and final part provides some space for reflecting upon the presented findings.

Food Wholesalers – Formal or Informal?

Even though Dhaka's food wholesalers have on average not more than three (rice) to seven (fish) employees, they are usually not counted to the 'informal sector', since they are perceived as economic heavyweights that are licensed and that pay tax. In fact, according to own survey² data, 99.5 per cent of rice wholesalers and 81.0 per cent of fish wholesalers possess a trade license. The Dhaka City Corporation has a list of 133 categories that determines the charge for trade licenses according to different products and different types of merchants. Rice and fish wholesalers are charged an amount of 500 Bangladesh Taka per year, just like those wholesalers who deal with lentils, edible oil or wheat flour. The costs are slightly lower for retailers. Rice retailers need to pay 400 Bangladesh Taka and fish retailers not more than 250 Bangladesh Taka per year. In case of neglect, a fine is imposed that usually amounts to five per cent of the trade license that needs to be reimbursed for each month that the business was run illegally. An additional rule says that at least 50.00 Bangladesh Taka must be paid per month.³ By comparing these costs with the wholesalers'

2 The survey was undertaken in December 2009 and in January 2010 at 12 (from 24) rice and 9 (from 13) fish markets. A total number of 448 wholesalers were interviewed, i.e. 206 rice and 242 fish wholesalers. This equals a ratio of 26.6 (rice) and 27.0 per cent of the respective total number of wholesalers in the area of Dhaka City Corporation.

3 For example, a rice wholesaler runs his business for a period of three years without any trade license. After he gets caught by law enforcers he is imposed the following fine:

monthly expenses for running their enterprises it gets clear that paying for the trade license is just peanuts for these businessmen.

In terms of licensing, the picture is quite clear. Since the majority of rice and fish wholesalers run authorised businesses, the formal might be seen as the appropriate category. However, when the merchants' tax payment behavior is scrutinised, the seemingly clear cutting line between the formal and the informal sector becomes blurred.

While the Value Added Tax Act 1991 imposed the tax only on the economic sectors of import and manufacturing, wholesaling and retailing were included in 1996. According to the National Board of Revenue,⁴ the value added tax in Bangladesh amounts to 15.0 per cent of the total business volume of organisations with an annual turnover of 2.0 million Bangladesh Taka or more, and is to be submitted on monthly, quarterly or half yearly basis. However, in case of wholesalers and retailers, the value added tax – also called trade value added tax – amounts to only 1.5 per cent of the total sales volume. Own surveys revealed that not all wholesalers bear the responsibility of paying the due. In fact, 25.7 per cent of rice merchants and 36.4 per cent of fish merchants do not pay value added tax, despite the fact that not a single wholesaler was found with an annual business volume of below 2.0 million Bangladesh Taka.

What does this mean? Does it mean that three-fourths of rice wholesalers and about one-third of fish wholesalers are part of the informal sector, because they evade tax? Or are they still to be counted to the formal economy, since they mostly run authorised businesses? If any clear-cut categorisation in this regard is difficult, maybe one can find an answer by studying the traders' relations to financial institutions that the businessmen maintain for transferring money to their suppliers, for depositing their earnings and for taking loans in case of need? To get straight to the point, it will make any categorisation even more difficult.

Because not all wholesalers are seen as credit-worthy by formal financial organisations, many wholesalers depend on other actors, such as money lenders, market associations, their family or friends. Own surveys revealed that – in the course of their individual business histories – 43.3 per cent of rice wholesalers and 46.3 per cent of fish wholesalers took loan for business purposes. In case of rice traders, 85.6 per cent of those credits were granted by private or governmental banks, while the remaining 14.4 per cent were informal assets granted by family

First, he needs to reimburse the costs for the trade license of the last three years (500 Bangladesh Taka into three years equals 1.500 Bangladesh Taka). Second, he needs to pay the fine of five per cent of the yearly trade license (five per cent of 500 Bangladesh Taka equals 25.00 Bangladesh Taka). Since this amount is below 50.00 Bangladesh Taka, the additional rule comes into effect. Hence the fine is calculated to be 50.00 Bangladesh Taka for each month in which the business was run illegally (50.00 Bangladesh Taka into 36 months equals 1.800 Bangladesh Taka). As such, the merchant is imposed a total fine of 3.300 Bangladesh Taka.

4 Cf. <http://www.nbr-bd.org/valueaddedtax.html>.

members (9.6 per cent), friends or business partners (3.6 per cent), and money lenders (1.2 per cent). In case of fish traders, however, only 52.0 per cent of the loans taken were given by banks, while the share of informal credits made up remarkable 48.0 per cent. 18.7 per cent were taken from money lenders, 12.2 per cent from family members, 9.0 per cent from market associations, and 8.1 per cent from friends and business partners. These figures show that the access to the formal banking system is much worse for fish wholesalers. In this regard, a fish wholesaler of Merul Badda Fish Market, states:

All our papers are alright. We have bank accounts and trade licenses. And we deal with fish that is worth several lakh [100,000] Taka on a single day. But for all that, governmental or private banks do not allow us to take loan (Own interview, 01.04.2009).

Due to their barred direct access, many fish merchants depend on local insurers to get a loan from a bank. Usually, this insurer owns some land in Dhaka or elsewhere that is treated by banks as main assurance and allows him to be granted a loan. This loan is then forwarded to the fish merchant. Just like formal financial organisations, the insurer demands the credit receiver securities for his informal service. Usually the money lender knows to capitalise the wholesalers' situation by demanding high amounts of advance payments and high interest rates. As one interviewee stated, he was asked to deposit 150,000 Bangladesh Taka in order to get granted a loan of 500,000 Bangladesh Taka, an advance payment that equals 30.0 per cent of the volume of the loan. While banks charge usually not more than 15.0 per cent interest per year, the money lender demanded him to pay an interest rate of nearly 10.0 per cent per month (!). Thus, being dependent on Dhaka's informal banking system, fish wholesalers are clearly disadvantaged. Against this background the following statement becomes comprehensible:

Banks will provide you with loans only in case you own a piece of land. With this money you can purchase more land, which in turn qualifies you to take even higher loans. This is how it works here in Dhaka (Own interview, 01.04.2009).

Wholesalers are usually not counted to the 'informal sector'. However, as the presented findings suggest, it is difficult to draw a clear cutting line that would separate the formal and the informal. When taking into account not only the daily turnover and the legal status, but also the workforce, the tax payment behavior and the relations to financial institutions, it gets nearly impossible to assign the entire economic sector to either one or the other category. Much heavier, however, weights the fact that the pure labelling of enterprises as formal or informal does not provide any explanation – neither for their organisational patterns nor for their existence. Informality – how it has been re-coined by AlSayyad and Roy (2004) – now does not only go beyond, it criticises this very labelling and the way how it is used in public discourse as not much more than a practice of 'othering'.

Food Markets and Territorialised Uncertainty

Informality as governance mode appears most prominently in terms of contested land, people's 'territorialised uncertainties' and elite's practices of 'unmapping' (Roy 2004, p. 150) the city. In the next paragraphs, this issue is addressed by referring to concrete public market places and wholesalers' tenure insecurity.

From Dhaka's 87 food wholesale markets, 51 markets (58.6 per cent) are located on private land. In case of rice, this means that a number of stores are located at a particular corner or street of houses in direct spatial proximity to each other. Badamtuli, Malibag or Uttor Badda Rice Market are cases in point. In case of fish, these private markets are clearly confined pieces of open land that are partitioned into several vending spots and rented out to businessmen. Jatrabari, Swarighat or Sultan Shah Fish Market are such private markets.

Dhaka's remaining 36 food wholesale markets (41.4 per cent) are located on public land (*khas land*). This public land is under control of various players, i.e. the Roads and Highway Department (Ministry of Communication), Bangladesh Railway, the Bangladesh Inland Water Transport Corporation, the Cantonment where the headquarters of the Bangladesh Army, Navy and Air Force are located, or – at the urban fringe – the Capital Development Authority of Dhaka (*Rajdhani Unnayan Kartripakkha*; RAJUK). In most cases, however, it is under control of Dhaka City Corporation (DCC). Since the second half of the 20th century, the municipality has become active in establishing wholesale markets on public land. According to an Assistant Estate Officer of DCC, these markets comprise a defined number of compartments that are leased out to businessmen for a period of up to 99 years. The leasehold for one of these plots varies from market to market, as they are fixed by the DCC in accordance to land prices in direct adjacency of the market.

The land ownership of markets in Dhaka is associated with the issue of uncertain tenancies. On private markets, the merchants' tenancy is secure as long as the private land owner is committed to the market business. But what if this commitment gets lost? Dhaka City is characterised by permanent construction activities. New residential high-rise buildings and shopping centers are mushrooming, which makes some of the traders fear to be forced to leave their stores in case their land lord is made a profitable offer. This insecurity is not equally distributed in Dhaka. Markets in Old Dhaka, for instance, hardly ever face this type of problem, because they emerged over decades (if not centuries) and are well established today. However, especially at the fringe of the DCC territory the land issue can become a pressing uncertainty for wholesalers, since construction activities are generally more intense in these parts of the city. A rice merchant in Uttor Badda reports:

In case someone plans to construct a new building here at this plot, like it already happened in other parts of Badda, we small traders are doomed. My land lord will kick me out. I don't have any long-term security (Own interview, 24.02.2008).

Whereas this first type of territorialised uncertainty appears as a consequence of the bare growth of Dhaka, a second type exists that is deeply political in nature. This second type concerns those markets that are located on public land. As mentioned above, according to the official version, the compartments of these public markets are leased out those people who run their businesses at these places. However, this is far from reality. As own surveys revealed, not more than two fish wholesalers (0.8 per cent) and none (!) of the rice wholesalers possess any leasing contract for one of the compartments on DCC markets. These figures clearly confirm that Dhaka's public markets are almost entirely in the hands of third parties, i.e. a group of actors that is in the position of a *tertius gaudens*, as they are not directly involved in the market business, but lease the places (or parts of it) in order to skim off rents. In this regard, one of the rice wholesalers at Krishi Market mentions:

Only a very small portion of lessees do business on their plots. The majority rents these plots for business purpose! They lease many plots under various names, their wife's name, their son's name and so on, and rent them out to businessmen in order to make profit (Own interview, 10.03.2008).

A similar example is provided by one of the fish wholesalers of Five-Star Fish Market at Kawran Bazar:

There is one person who leases the land from DCC. But he never comes personally to the market for doing business. He rents this space out to the wholesalers (Own interview, 30.01.2009).

For renting one of the plots at Krishi Market, the merchants pay a monthly rent of 7,000 Bangladesh Taka. At Five-Star Fish Market, the merchants pay a stand fee of 3,500 Bangladesh Taka per month and an office rent that amounts to 3,000 to 3,500 Bangladesh Taka per month. As such, the monthly earnings of the lessees of DCC markets do not seem to be extraordinary high. However, one has to keep in mind that wholesalers need to pay a certain amount of money in advance in order to get one of the vending sites in the first place. Wholesalers at Merul Badda Fish Market mentioned that the vending sites were auctioned to the merchants shortly after the market was established. For one vending site of a size of 10 x 10 feet (9.3 square meters), the wholesalers had to pay amounts of 50,000 to 100,000 Bangladesh Taka before they got the permission of the lessee to start their business at the market. Given the current number of 79 fish wholesalers who run their business at Merul Badda Fish Market, one can easily understand the economic weight of Dhaka's food markets, most prominently those that are located in central positions. Speaking in plain words, food markets in Dhaka make millionaires.

Contested Food Markets

This latter issue is not confined to food markets alone. In fact, the entire public space in Dhaka, whether it is used for residential purposes (as in case of slums) or for business purposes (as in case of food markets), has become the target of a rent-seeking economy. The rent-seeking activities of mostly unknown ‘back region’ actors are not thinkable without the state to take notice. In fact, in Dhaka, this exploitation of public space for personal gain is even made possible by the state. Against the background of deep-rooted conflicts between Bangladesh’s political parties, most prominently between Bangladesh Nationalist Party (BNP) and Awami League (AL), public space is strategically used as one of the most important means to buy votes by enabling affiliated persons to skim off space rents in return.

The highly complex issue of the political economy of *khas land* in Bangladesh cannot be discussed in full range within the frame of this study. In this regard, it is referred to the brilliant and not less venturous study of Abul Barkat, Shafique uz Zaman and Selim Raihan (2001).⁵ However, the interlocking of a politicised public space and local rent-seeking activities can be presented in its consequence for urban wholesalers. Two examples shall be discussed.

The Case of Krishi Market

In January 2007, the military-backed ‘Caretaker Government’ took office with the aim to fight corruption in Bangladesh and to ensure fair elections at the end of 2008. Against this background, the number of patrolling policemen was increased and Rapid Action Battalions (RAB)⁶ were mobilised to take action against those constructions that had been erected on public land and that occupied sidewalks and roads. Notably, many of these constructions had been permitted by local bureaucrats, backed by the former four party alliance government that was led by the Bangladesh Nationalist Party (BNP) under prime minister Khaleda Zia. After the interim government took power, many of these permissions were canceled which made the buildings illegal. In consequence, they were destroyed. During this nation-wide clearance drive, also some of the storerooms and building structures at Krishi Market (see Figures 6.1 and 6.2) were destroyed. The following paragraphs provide an example of a rice wholesaler whose store became subject to this eviction drive.

Mr. Chowdhury (name changed) is a rice wholesaler at Krishi Market who was born in the old district of Rajshahi. Before he started to invest in the rice business,

5 It should be mentioned that the focus of this study is on rural Bangladesh, not on Dhaka.

6 The Rapid Action Battalion (RAB) is an elite anti-crime and anti-terrorism unit of Bangladesh Police that was decided to be installed in 1979 and started its operations in 2004 (cf. http://www.rab.gov.bd/about_us.php?page=2).



Figure 6.1 Wholesale Stores at Krishi Market before Demolition

Source: Keck 2008.

he was employed by the Bangladesh Army. After his retirement, he started to deal with rice in his home town. First, he bought rice from producers, rented a mill to process it and sold it to wholesalers in Dhaka. But after some time, he moved to Dhaka in order to open up a wholesale enterprise by himself.

His pension and his wife's savings allowed him to rent one of the compartments at Krishi Market. For one of these plots, he was demanded to pay 150,000 Bangladesh Taka in advance to the lessee. Even though, this amount of money equated half of his savings, he counted himself lucky, because he was able to appropriate the vending site in the first place:

For leasing one of these plots, you need at least 20 lakh [2 million] Taka. But, fortunately, I don't need a leasing contract. Another person leases the plot and I rent this shop from him (Own interview, 04.04.2009).

Krishi Market is a DCC market, which means that the municipality is in charge of all building measures that take place on the market. During the tenure of office of Sadeque Hossain Khoka, Vice-Chairman of BNP and mayor of Dhaka City to this day, the wholesalers of Krishi Market were allowed to extend the market halls in order to make way for additional rice stores. These extensions comprised bamboo and canvas constructions along the main road of the market and brick



Figure 6.2 Wholesale Stores at Krishi Market after Demolition

Source: Keck 2008.

buildings roofed by corrugated iron sheets at the backside of the market halls. The store of Mr. Chowdhury was in one of the brick buildings at the backside of the market halls.

In April 2007, after the interim government took over, these structures were declared to be illegal. In consequence, parts of them were destroyed, among them the store of Mr. Chowdhury. A Rapid Action Battalion and local police officers monitored the demolition of approximately 30 shops. A municipal officer explained this change of attitude in regard to these outbuildings by focussing on those structures that had been erected along the main road:

Krishi Market was established in 1986. The main road of the market is wide enough for two trucks side by side. It is how we planned it. But some businessmen established shops on the road and blocked the embark point. In consequence, the market became chaotic (Own Interview, 27.03.2008).

When Mr. Chowdhury heard of the planned destruction of parts of the market, he was shocked: “We possessed a permission from DCC to run our shops there. But all in a sudden we became illegal” (Own interview, 10.03.2008).

Whereas the municipal officer talked about the structures along the main road, the eviction itself was not confined to these buildings alone, but included some of

the buildings on the backside of the market halls, where Mr. Chowdhury's store was located:

I received the first message of the eviction already a week before they came. But they told us that only those shops are illegal that are located on the main road. So I thought it is not my business. Hence, I was not prepared when they came with heavy machines (Own interview, 10.03.2008).

At the very day of the eviction, Mr. Chowdhury was forced to clear his godown as rapidly as possible. Due to the support of workers and other shop keepers, from 600 rice sacks only a dozen was destroyed. All documents, the safe and the weighing arms could be saved. Fortunately, he was not forced to leave the market after this event, but was allowed to store his stocks in front of the shop of another wholesaler. Three months later, he was even able to move into another compartment in one of the market halls. Nonetheless, his business performance has changed since. Prior to the eviction, he sold on average 100 rice sacks per day, which is much more than he sells today. As he mentions, his position close to one of the entrances of the market was the main reason for his former success, because many floating customers came to his shop in addition to his regular business partners. Today, he sells no more than 20 to 25 rice sacks per day, because occasional customers seldomly reach the remote corner of the market where he moved after the eviction.

For Mr. Chowdhury, the aim to fight corruption was nothing but an excuse for this eviction. For him, the actual reason was clearly rooted in political cleavages that pervade Krishi Market. As he mentions, there are basically three different groupings at the market. One is affiliated to BNP, one to Jamaat-e-Islami (JI), and one to Awami League (AL). While BNP and AL are regarded as archrivals, JI is considered to be politically close to BNP, as both joined in the four party coalition government from 2001 to 2006. Mr. Chowdhury explains:

All three parties fight for predominance over the market. And each group tries to do harm to the other group. Prior to the eviction, the AL group was inferior, but after the interim government took power they gained momentum. I am sure that this group worked for the demolition! (Own interview, 04.04.2009).

This example should not be misunderstood in the sense that only AL politicians would provoke market evictions in order to support their voting public or to act against those people who support their rivals. Instead it seems that this behavior is a rather common and wide spread practice of several governments – whether AL- or BNP-led. This can be seen, when turning to the example of Merul Badda Fish Market.

The Case of Merul Badda Fish Market

In 1980, a group of merchants opened up a vegetable market in Merul Badda that became a fish market in 1998. As the members of the local market association report, the fish wholesalers consulted the local ward commissioner and the local deputy commissioner in order to get a permission to establish the market at this place. Formally, the land was under control of Capital Development Authority of Dhaka (RAJUK), but since it was not used at that time, the permit was granted. The merchants appropriated the land and established a number of tin shacks that served the traders as offices and as vending sites. Five years later, the market was well established.

After the parliamentary elections in 2001, however, the situation should change. The four party alliance government came into power, led by the Bangladesh Nationalist Party (BNP) under prime minister Khaleda Zia. The former ward commissioner of Badda who had allowed the merchants to erect the market buildings was replaced and the legal status of the market ceased. In consequence, at the end of 2005, the entire market was evicted. All but one former market structures were demolished. This one building was declared illegal, just like the rest of the market. However, it sheltered a mosque, a fact that provided it a special status, as a wholesaler explains: "They cannot destroy this building: because this is holy land" (Own interview, 01.04.2009).

After the market demolition, the merchants could not just leave, as one participant of a group discussion mentions:

What should we do? The trucks with our supplies were still coming to the market and we had to sell them. So we asked the police to permit us to sell fish on the streets [in front of the former market]. We also paid money to them at that time (Own interview, 08.03.2009).

However, this was no long-term solution. After some time, the merchants re-appropriated the place and fenced it with barbwire. Not more than six months after the eviction, a considerable number of vending sites had been re-established.

In order to safeguard the market from further demolitions, the merchants applied an ingenious strategy shortly after the AL returned to parliament in February 2006 and declared to enter the next parliamentary elections.⁷ In fact, some of the merchants support AL and come from the district of Gopalganj, the birth place of Sheikh Mujibur Rahman, the 'father of the nation'. In honor of Bangladesh's first president and his brother Sheikh Abu Naser, the traders established a memorial club at the south-eastern corner of the market. This

⁷ In fact, on 3 January 2007, the AL announced to boycott the elections that were scheduled for 22 January. On 11 January, President Iajuddin Ahmed declared the state of emergency. One day later, Fakhruddin Ahmed was assigned as the new chief advisor of the two-year Caretaker Government.

would not provide the market a legal basis, but it was a clear public statement that served the merchants an informal source of legitimacy in case AL would win elections. The wholesalers had to wait until the polls finally took place on 29 December 2008, when the grand alliance government – a coalition of AL and Jatiya Party – came off as the winner.

The merchants from Gopalganj were not the only people who took action. Another group of people around Korshed Haque (name changed), the chairman of the market association at that time, presented a deed that confirmed them to be legal owners of parts of the market. In consequence, the number of legal owners had doubled. Lessees of the RAJUK land claimed that they would have a leasing contract for the entire market place, while Mr. Haque averred to own at least parts of the market privately. The issue could not be resolved quickly and both actors demanded the traders to pay stand fees. As these dues should be paid in advance, the entire situation became unbearable for the wholesalers:

For one vending site we paid already 50,000 BDT per year, for three years in advance. Before these three years were over, the new landowners came to the market and demanded again money from us (Own interview, 23.03.2009).

As the conflict on land ownership continued, the wholesalers from Gopalganj refused to pay the demanded money. At that time, Mr. Zaman (name changed) was the vice-chairman of the market association and organised the resistance. He openly opposed to the chairman and his fellow land owners. The new landowners, however, did not back down but sent local criminals (*mastaans*) to Mr. Zaman who threatened him with death. These criminals offered him to pay protection money (*jadda*) in order to avoid violence, but the amount of money was so immense that it was not a real option. On 28 January 2009, Mr. Zaman was shot dead. Until today, the real ownership of the market place could not have been clarified. As one of the participants of a group discussion mentions: "It is complicated. Today, nobody can tell who the real owner of the market is" (Own interview, 01.04.2009).

Informality as Borrowed Security

This chapter has followed Ananya Roy's (2009, p. 82) notice that informality is as much the purview of squatters and slum-dwellers as it is that of wealthy urbanites. By taking food wholesale markets in Dhaka (Bangladesh) as a case, this chapter has emphasised the negotiability of merchants' rights to appropriate and utilise public land for their marketing activities. Herewith a group of actors has been put in focus that, so far, has been left widely unnoticed by informality studies.

Empirical evidence suggests that Dhaka's public markets are widely controlled by 'back stage' actors who use their broker position in between the state and the wholesalers to skim of space rents. As such they capitalise on public places for their personal gain. However, as opposed to widespread narratives, this phenomenon is

not the result of cities' non-governability or a general lack of state. The entire situation has rather been made possible by the municipality and political elites who work for their own ends by strategically using public space as one of the most important means to buy votes. As such, informal politics and the formal state are not two opposites. They are two sides of the same coin.

As the examples of recent market demolitions have shown, even economic heavyweights like food wholesalers can become victims of state-induced eviction drives – not because wholesalers would not work in compliance with formal rules, but more so because, in some cases, they simply do not fit the worldviews and interests of the political elites in power. In order to safeguard their business organisations and to reduce their territorialised uncertainty, the businessmen themselves rely on informal arrangements, since not even the state works on the basis of formal law. In order to achieve at least a minimum of tenure security, they thus help to reproduce a system that, on its own part, creates this uncertainty in the first place. However, since the highly politicised urban arena of Dhaka is in permanent flux and motion, any informal tenure security can be nothing but borrowed.

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