

Working with informality in food system transformation

webinar 25 May 2023, 9h30:00 to 11:00 CEST

This webinar was organised by NFP, SNV and Wageningen UR and followed an earlier hybrid session held 15 Nov 2023. Find presentations and recordings of the previous session [here](#).

The May 25 webinar counted with presentations by Bart de Steenhuijsen Piters (WUR), Bill Vorley (IIED) and panel reflections with Dorcas Ansah (WIEGO Ghana), Charles Dhewa (KTA Zimbabwe) and George Njeru (BoPINC 2Scale Kenya). Recordings of presentations and panel reflections are found [here](#).

Short summary of the chat discussions 25 May

There was a lively chat session going on during the webinar. Some of the topics that created quite some interaction among the audience were: how do informal and formal spaces interact, what is the impact of formalising the informal, what are the entry points for external interventions and what policies can support informal food systems.

It was agreed that understanding the division between informal and formal food systems is a complex task, as they are interconnected and often coexist within the broader food system. It is important to acknowledge that the informal food system is not isolated or independent from the formal system. Instead, they are intertwined and mutually influencing each other in various ways. Thereby, it was remarked that it is important to understand the power dynamics between informal and formal spaces.

Moving from informality to formality received quite some attention: should formality be the goal in the long term, and if so under which conditions? Is it a panacea for businesses to transition from informal to formality? It was suggested that formalisation in itself should never be the purpose, but a voluntary process whereby actors choose to have their businesses registered if it offers them enough advantages.

It was concluded that informal spaces are crucial when improving the resilience of food systems, and it is important to determine what external interventions and policies can do to further increase and strengthen the role of informal systems. Understanding the challenges as perceived by actors is crucial to prioritise interventions; but what are the alternatives to formalising to scale-up the role of informal sectors? Suggested entry points include food safety, security and hygiene which are considered key for the informal actors themselves, strategies of their businesses and practices of regulators therein. Next, understanding forms of organisation of the actors in informal sectors is crucial, putting them in the lead of any intervention. Someone concluded that informal markets do best with self-regulation, working best with minimal interference from the local authorities. The actors in the informal trade prefer zero or minimal visibility: they are content with little recognition. The concerns of "less served" markets are mostly

around its opaqueness, which sometimes is a result of the bad experience they have had from being transparent. Informal markets actually have their organised processes, albeit in another form and generally unknown to formal actors.

One participant requested to share experiences on how the perceived stigma, by government and others, attached to the negative image of the informal food systems can be addressed. This is an important area of work which requires attention.

It was remarked that so-called inclusive business models developed in the formal space have their own limits. For instance, contract farming models that are presented as inclusive can in fact be extractive whereas informal traders in African mass markets have developed more and better inclusive business models.

It was stressed that informal trade is not necessarily small; it can also be a multimillion dollars business, such as the cross border in livestock between Tanzania and Kenya. This is huge, multi-layered, constantly evolving and transforming business which is completely informal.

Someone suggested to refer to the informal sector as a "gig economy".

The role, limitations and opportunities of informal markets for supplying nutritious food to consumers was raised as an important point of attention.

One participant suggested to discuss not only income but also other aspects of informal actors' realities in the food system such as gender. Women in informal food sector face different set of constraints and have unique ways of coping. Something to consider before talking about policy formulation, interventions and role of external agencies.

Please contact us with your feedback, suggestions and further ideas

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Further reading:

- [How to engage informal midstream agribusiness in enhancing food system outcomes. What we know and what we need to know better.](#) Daniel A. Mekonnen, Emma Termeer, Katrine Soma, Siemen van Berkum and Bart de Steenhuijsen Piters. Wageningen University and Research, April 2022
- [Unpacking The Informal Midstream : why the informal economy can and should contribute to enhanced food system outcomes](#) . Emma Termeer, Siemen van Berkum, Youri Dijkxhoorn, and Bart de Steenhuijsen Piters. Wageningen University and Research Policy Paper. Sept 2022
- [Sustainable diets in the informal economy](#). Sustainable diets for all reflection series. Bill Vorley, Alejandro Guarín, Giulia Nicolini. Hivos and IIED, October 2020