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Sociologies of Formality and Informality



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Formality and informality are indelible elements of social life. They also happen to bear a special relationship to each other. On the one hand, the persistence of modern societies depends on a great variety of formal structures such as formal organizations and formal rules, which organize collective life and guide individual actions. On the other hand, today's societies are also perpetuated by a wealth of informal practices, including ones performed within and around formal institutions. It is indeed trivial to observe that every formal rule, organization or interaction is accompanied by an informal counterpart.

Conversely, every informal practice, institutionalized or occasional, takes place in a formal environment. Undeniably, this dialectics has many practical consequences. It also renders formality and informality as interesting objects of study for sociologists, traditionally inclined to lurk behind official facades. Has a social institution been successful because it had formal traits or just to the contrary, because it included informal elements? What are the informal undercurrents and preconditions of formal life? Is the informal side of an institution reasonably tamed by rationally crafted formalities or stifled by irrational bureaucracy?

This interest in the formal and the informal spans across many sociological disciplines. It has a firm place in the sociology of organizations, sociology of law, sociology of culture, development studies, sociology of work, and discourse analysis. Already this disciplinary multiplicity constitutes a sufficient reason to speak of sociologies of formality and informality rather than about a single sociology of these phenomena. As it often happens, representatives of different sociological trades are not necessarily in agreement as to what counts as formal or informal and what role they actually play in the phenomena studied.

For these reasons, the view of formality and informality and their linkage in sociology is complex and multifaceted. Anyone who intends to present the state-of-the-art in this field thus runs the risk of omitting some intricacies of theoretical baggage. One way to ensure that actual synthesis is provided is to start with the criteria that are used by particular sociological discourses in depicting the relationship between formality and informality. Stinchcombe (2001, 5–9), for example, advanced a typology of informality in the context of law and organizations comprising: “informally embedded formality”, “formality being constructed” and “classical informality”. At least one of these categories, if not

two, could be hijacked for the purpose of creating a categorization of the general perspectives on the interlinkage between formality and informality. In turn, we could identify specific streams for conceptualizing formality and informality within these discourses – i.e. as revealed, for example, by the Böröcz (2000) and the Guha-Khasnobis, Kanbur and Ostrom (2006, 5) categorizations of literatures on informality. Böröcz (2000), for instance, identified two categorizations: “the school of »generic informality«” and the school of “sectoral informality”. While coming from a public policy analysis viewpoint, Guha-Khasnobis, Kanbur and Ostrom (2006, 5) highlighted two framings that are nonetheless of sociological relevance: “the reach of official governance” and “the degree of structuring”. In a similar vein, we could further differentiate among ways of depicting informality in terms of forms of constraint (new institutionalism – see North 2000), level of abstraction (sociology of law – see Stinchcombe 2001) and degree of freedom in interpretation of role requirements (sociology of culture, research of social cooperation – see Misztal 2000).

We propose a typology comprising: *the sociology of informally embedded formality*, *the sociology of formally embedded informality*, *the sociology of the interaction between formality and informality* and *the sociology of the emergence and transformation of formality and informality*. Learning from the analysis of a seminal author in economic sociology, we could benefit from looking at these notions as being meta-assumptions grounding the sociology of formality and informality – as in Portes (2010, 13), the four directions of investigating formality and informality presuppose distinct “lenses” through which reality is grasped and explored”. Still, more than in the case of economic sociology, in the sociology of formality and informality these meta-assumptions appear as superficially competing. We say competing because, when rendering the classification, it was almost as if we took Beckert’s (2006) distinction between the “interpenetration” and “embeddedness” approaches to the relationship between the economy and society in economic sociology, and adjusted and extended it to depict views on the linkage between formality and informality in contemporary sociology. The following brief outline of the four frameworks for approaching this problem will probably give an initial idea of the extent to which these perspectives seem to be competing or not. Its purpose is also to show that the chosen contributors are authors whose work is illustrative of distinct types of theoretical framings and presents sites of inquiry as various as possible.

Part I concerns the *sociology of informally embedded formality* – that is, sociology relying on, or bringing in, informality-related explanatory mechanisms in the study of formality, formalization and formal organization. As is visible in the first contribution, in the sociology of law and the sociology of organizations,

this stream of research is highly indebted to Stinchcombe (2001). In this chapter, Robert Dingwall, another established contributor to this stream, revisits the arguments made in the paper co-authored with Phil M. Strong, *The Interactional Study of Organizations* (1985), in the context of new developments in framing formality brought by new institutionalism, and inhabited institutionalism theorists in particular. The chapter promotes the research of the interactional construction of organizational formality. The notion of *charter*, which is proposed for framing the formal dimension of organizational life, aims to restore some balance in the study of formality. The idea is to study formality in a way that would not give in to the informality aspects to the extent that it would end up considering that “formality is all a fraud” – as Stinchcombe (2001, 1) observed that sociologists usually do – yet also not overlook the input of people towards the construction, negotiation, display and challenge of an organization’s charter. In Chapter II, Grażyna Skąpska and Grzegorz Bryda interpret findings pointing to an obvious discrepancy between the opinions of lawyers and non-lawyers concerning the implementation of the rule of law in Poland. The discussion on the issue offers the occasion to touch on two related topics. First, the research looks at the reconsideration of the rule of law in the XXI century, subsequent to jolting social changes and the uncertainty facing regulation and implementation. Second, the authors discuss the need of an *empirical account of the rule of law* grounded in social experiences, in local memory and local knowledge. Although not framed in terms of “a charter”, the chapter comes very close to the study of formality in the framing advocated by Dingwall and Strong. What evidently counts as an advantage of Skąpska and Bryda’s paper, however, is that they interpret the relation and engagement with the rule of law charter by various social actors.

Part II presents contributions from the *sociology of formally embedded informality*. Depending on the case study, this sociological investigation results in a general recognition of the structural embeddedness of informality in the degree of regulation, costs of complying with the rules institutionalized by the state, or the ability and scope of regulation enforcement (see Fernández-Kelly and Garcia 1991; Sassen 1997; Portes and Haller 2005; Centeno and Portes 2006; Kus 2006; Portes 2010; Kanbur 2012). In the first paper in this section, Liela Groenewald redefines the notion of informal settlement in such a way that this would be more representative of the experiences of ordinary, poor people living in informal settlements in the global South and in particular in southern Africa. She insists on mainly three aspects: the interconnection between formality and informality; class structure and conflict of interest; and tenure insecurity and precariousness (primarily contributed by the state, the formal domain). Groenewald makes a

point regarding the third characteristic, namely that the insecurity felt in relation to the formal domain pops up as the primary factor in the self-reflective conceptualization of the residents of informal settlements. She also indicates how this aspect “creates conceptual problems for a purely repressive state response”. In the next contribution, Stef Adriaenssens, Dieter Verhaest and Jef Hendrickx also deal with a multidimensional definition of informality, and informal work in particular. In their case, however, the causal priors are all located in formality, in types of regulation. The authors advance a pilot study of multidimensionality – a binary depiction of informality in relation to labor regulation and taxation. The topic is quite relevant because the *multidimensionality of informality* has the potential to reveal both the pros and cons of defining informality as a violation and lack of protection by regulatory structure.

Part III is dedicated to the *sociology of the interaction between formality and informality* – that is, sociology which is less interested in clearly delimiting the formal and informal domains, and more in establishing types of relationships between formal and informal institutions, and in revealing their mutual conditioning, entanglement or decoupling (see Meyer and Rowan 1977; North 1990; Pejovich 1999; Lauth 2000; 2004; Misztal 2000; 2005; Nee and Ingram 2001; Helmke and Levitsky 2006; Pejovich and Colombatto 2008; Bromley and Powell 2012; Van Assche, Beunen and Duineveld 2014). In the first paper in this section, Barbara Misztal continues and revises the understanding of informality that she originally drafted in the book, *Informality: Social Theory and Contemporary Practice* (2000). In addition to Erving Goffman and Norbert Elias, she now also builds on Michel Foucault in the study of re-patterned configurations of formality and informality. The paper analyzes changes in the relationship of informality and formality in the contemporary setting, and the consequences of these developments in terms of the emergence of new types of informality (*formalized* and *instrumental informality*), and of the sustainment of cooperation and the exercise of social control. In the second contribution, Mikko Lagerspetz discusses the relationship between formal policies and informal practices now prevailing in the Estonian minority incorporation regime. The advanced case-study on the process of changing the Russian gymnasiums’ language of tuition allows him to make some inferences about the mechanisms and possible consequences of decoupling in the political field. In the third work, Hans-Joachim Lauth, in a similar vein, examines the relationship between rule of law and informal legal systems in functioning and deficient types of *Rechtsstaat*. He specifies that the interaction between the systems differs in relation to the political regime types, and puts forward a categorization of competing legal systems on the basis of evidence from authoritarian regimes and young democracies – *hybrid legal system* and the *deficient rule of law*.

Lastly, Part IV deals with the *sociology of the emergence and transformation of formality and informality*. This stream studies how interaction processes effect the transformation of existing institutions or the emergence of new ones; and it also follows processes for the formalization of informal institutions, as well as sequences of informalization and the relaxation of formal rules (Knight 1992; Tsai 2006; Grzymala-Busse 2010; Carruthers 2012; Haldar and Stiglitz 2013, 113). In the first contribution to this part, Timothy Eccles depicts both the processes of the construction and deconstruction of formality in the context of deregulation of building control in the UK – that is, fragmentation of authority in the field. Eccles shows that transformation or lack of authority does not equal informalization, or a move away from formality. He introduces two concepts: *meta-formality* and *trans-informality*. The former pertains to the situation when various, competing, authorities act in a rational-legal manner, without a single dominant authority. The latter meanwhile is employed when informality moves towards formality, in the sense that the rational-legal approach is adopted into certain informal systems. The notions are important because they encourage thinking “outside” the formal-informal distinction/continuum. By pointing out that formality is no more unitary and homogenous than informality is, Eccles brings to our attention the interaction between formal and formal institutions and systems, in addition to that between formal and informal ones. In the second chapter, Aleksandra Herman deals with a phenomenon recalling Eccles’s trans-informality – processes of the reconfiguration of power at the local level which entail the absorption of informal political forces in the formal domain, and the blurring of boundaries between the formal and the informal in the political field. She looks at how separate social institutions operate at the bottom level of self-governance and considers the political potential of informality in the local environment. We can risk a comparison between the two approaches: Eccles is interested in the manner in which processes of construction and deconstruction of formality within the field of regulation lead to new types of formality and informality, while Herman looks at how similar processes, within the field of local politics, lead to the blurring of boundaries. In the third chapter, Francisco Linares advances a computational simulation analysis of the effect of the network topology on the emergence of informal norms of resistance among peer workers. Although the contribution clearly gravitates towards the area of the sociology of the emergence and transformation of informality, before its conclusion it makes inferences about the role played by workers’ formal organizations within firms as well. The findings confirm the author’s intuitions about the potential for *computational simulation analysis in the sociology of formality and informality*.

What does this brief outline of the book tell us in relation to the sociology of formality and informality in general, and about these edited papers in particular? Regarding the former, it certainly shows us that there is a sustained and conceptually quite developed stream of research into the relationship between formality and informality. We underlined herein the aspects of (two-way) embeddedness, interaction, and emergence and transformation, but surely it is just a matter of time before other treatments gain consistency and visibility, too. There is also the issue that these meta-assumptions now appear more as complementary, rather than as competitive. Regarding the edited papers in this volume, the summary seems to indicate that efforts to keep the direction of study on the formality and informality interlinkage has inevitably led us to discover various, analyzable and conceptualizable, manifestations within formality (see *meta-informality*, *hybrid legal system*, *deficient rule of law*, *charter*) on the one hand, and informality (see *trans-informality*, *formalized informality*, *instrumental informality*, *multidimensional informality*) on the other. Although this is obviously related to the recent changes in these domains as well, one cannot help but notice that initial efforts to strictly delineate the formal and informal “sectors” took us in the direction of seeing the boundaries not as clearly defined, but instead as blurred.

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