



Architecture and Informal Economy: Spatial Designs That Influence Informal Market Activities in Urban Areas

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ABSTRACT

The informal economy is an enormous and enduring part of urban life, especially in cities in the Global South, where it provides employment, sustains livelihoods, and model dynamic urban forms of occupation. Despite its socio-economic role, largely expressed through informal working and making practices, urban planning and architecture tend to ignore the spatial requirements and practices of informal market actors. This paper questions the relationship between architecture and the informal economy, paying particular attention to how spatial design and non-design constructs whether intentional or emergent either support or inhibit informal market activities in rapidly urbanizing spaces. This study utilizes an interdisciplinary literature review and comparative case studies from a variety of urban contexts to analyze how informal vendors occupy streets, thresholds, interstitial spaces, and residual urban fabrics to survive. Our research identifies key attributes of spatial practices including evidence of flexibility, perviousness, and spatial ambiguity, which enable informal economic activity, while also noticing urban designers' interventions that provided the conditions for informal vendors to assert an order into urban or semi-urban space or resulted in their displacement. In proposing a reorientation of urban design strategies toward a more inclusive and responsive approach that sees informal economies as valued and productive parts of urban life, the paper synthesizes spatial analysis, ethnographic observation, and policy review. By situating informal market practices within larger debates concerning spatial justice, right to the city, and urban informality - this study adds to emerging frameworks that ask us to think differently about architectural agency within the governance and design of contemporary urbanism.

Keywords: Spatial Design, Informal Markets, Inclusive Architecture, Urban Planning

I. INTRODUCTION

In the 21st century, informal economy remains a prominent aspect of urbanization, especially in cities of the Global South where state-led planning does not reflect whole economies or allow for a full range of economic activities. Informal market functions such as mobile and informal vending, self-built kiosks, and night markets are a critical source of urban livelihoods for millions of urban residents. Informal markets may be unregulated and unofficial, but they are not unstructured spaces without thought or logic for market practices; they have their own sophisticated logic of space (urbanity), timing and related architectonic form in terms of adaptation. While informal markets are ubiquitous and socio-economically significant, informal market activities are often excluded from urban planning decisions and architectural practices and modeled as "temporary", "disorderly", or, at worst, not modern enough or formal enough to be representative of ordered space in the city. As such, the intent of this paper is to explore the relationship between architectural / spatial practices, the informal economy, and work to re-center the importance of the built environment as an often-under-considered element of informal market practices. While significant scholarship has focused on the socio-economic factors of informality, relatively little scholarship has looked at the spatial strategies through which informal economies are produced and maintained in cities. Informal vendors are not simply populating space; they are spatial actors that transform, occupy, and produce space. From space-defining temporary structures to the adaptive reuse of under-utilized infrastructure, the informal economy thrives in the space between formal planning, at the edges of sidewalks, along transport node streetscapes and beneath flyovers, in parking lots and abandoned sites, and raises consideration about how architecture and spatial design can connect to, rather than simply negate these practices. Architecture is not just a design profession, but a socio-political tool that either enables or inhibits access to space. Design decisions related to circulation, visibility, modularity, enclosure and access have implications to how inclusive or exclusive a public urban space will be. At the same time, the formal/informal binary is increasingly ambiguous due to hybrid urban conditions where the informal and formal economies co-exist and co-produce space. Thus, there is a need within architectural research to conceptualize informal economies as a critical, not peripheral, section of urban systems. The study combines ideas from architecture, urban planning, and critical urban theory to explore how spatial design has the potential to either intervene, accommodate, or marginalize informal market systems. The study uses examples from cities such as Lagos, Nairobi, and Mumbai to study ways to think

about informal business, examining the built environment to determine the spatial features that enabled informal commerce, then case studies of urban design interventions to understand the larger spatial dynamics of urban informality.

This research focuses on three primary questions:

What are the spatial conditions that establish productive ecosystems for informal markets to thrive?

In what ways do informal vendors relate to and modify the built environment?

And, how can architects and planners conceive of urban environments that are more inclusive of informal practices and advocate for informal economic practices?

The study aims to address these questions in order to further illuminate issues surrounding informal space within the current literature on planning practice that aims to provide a more flexible, adaptive, and socially engaged approach to urban design. Overall, this study seeks to reframe urban informality not as a problem to be solved, but as a challenging and productive urban reality that architecture needs to grapple with from a critical and creative position.

II. Methods and Materials

In this research, a qualitative, multi-method research design was adopted to investigate the spatial dynamics of informal market activities in urban contexts and interactions with planning and architectural frameworks. The research design combines case study analysis, spatial mapping, field observation and semi-structured interviews, providing a complete picture of the socio-spatial aspects of informality.

Case Study Selection

The cities of Lagos (Nigeria), Nairobi (Kenya), and Mumbai (India), were selected as comparative case studies based on their high levels of urban informality and market typologies and planning regimes which qualitatively differed. These cities are representative example of postcolonial trajectories and empirical contexts in which informal economies are strongly intertwined with the city. Cities were selected based on having very large informal market systems, street vendor systems, and recent urban design policy or interventions that impacted informal traders.

Spatial Analysis and Mapping

The research utilized both Geographic Information Systems (GIS), and visual documentation (photographing, sketching and observational notes) to map the spatial configurations of informal markets, including those with respect to transport nodes, pedestrian flows, formal infrastructure, as well as public or transitional spaces. The aim of this spatial analysis was to identify recurring characteristics of space that enable or constrain informal economic activity, such as modularity, permeability, and adaptability.

Field Observations

Primary, non-participant observational studies complemented research in both cities in the target market areas. Observational data collected explored spatial practices, temporal rhythms, vendor–customer interactions, and physical adaptations by vendors to commerce. The fieldwork was done at different times of day and of the week in order to capture the dynamic temporality and flexibility of informal markets.

Semi-structured interviews

The semi-structured interviews were conducted with a purposive participant sample of informal street vendors, urban designers, local planners, and community leaders (n = 30 across the three cities). The interviews gathered in-depth information related to vendors' experiences, spatial access challenges, government intervention attitudes, and spatial negotiation and adaptations. All interviews were transcribed and subsequently thematically analyzed focusing on insights related to the interaction of spatial design and informality.

Policy and Document Review

The relevant planning documents, zoning bylaws, and urban design proposals examined in the fieldwork serve to complement the interviews to address how formal urban governance systems are able to (or do not) address tenants' spatial realities of working informally. Examples of documents which were reviewed include master plans, street design guidelines, and eviction or displacement policies.

Analytical Framework

Data were aggregated from all sources using a grounded theory methodology, allowing the empirical data to afford patterns and concepts, instead of imposing them deductively. In addition, we used a spatial justice lens and incorporated insights from Henri Lefebvre and the contemporary literature focused on the “right to the city” to critically examine how spatial arrangements reflect and reproduce socio-economic hierarchies in urban space.

III. Results

Spatially, informal markets emerged in areas with high foot traffic, proximity to transport hubs, and out of indistinct or transitional public spaces (e.g., sidewalk, primary building frontage, and under-bridge spaces). Vendors exhibited high levels of adaptability and tended to utilize temporary or modular structures that responded to the constraints of available space and respond to differing enforcement routines. Our field observations verified self-ordered

spatial logics among vendors, such as clustering around anchor institutions (e.g., bus stops, religious institutions, etc.), the establishment of defined movement routes for consumer circulation.

Interviews highlighted that most vendors either had limited or no access to formally established trading space, primarily as a result of the restrictive nature of the planning regimes towards informal trading or subsequent urban redevelopment of community space. Regardless, many vendors established collective rules of behavior in their attempts to negotiate a place their space while also resisting displacement strategies, including informal vendor associations, and temporality in trading space occupation (e.g., vendor space set up only at time of evening period).

IV. Discussion

Overall, the results reaffirm that spatial informality is not chaotic but a rational response to urban inaccessibility. Informal vendors show a keen spatial intelligence, making productive use of unregulated or residual spaces. This is inconsistent with the more typical linear understanding of spatial use and planning approaches that fail to recognize informal planner processes. Further the work shows that there is a misalignment with planning policies that are typified by aesthetic control and regulatory control with the everyday use in the context of urban commerce. Urban design interventions that do not attend to informal economies tend to lead to forced evictions, dismantled markets or diminished urban inclusivity. Context specific spatial strategies, such as shared-use spaces, movable infrastructure and legal recognition of specific market-based zones, can provide enhanced economic opportunity and leadership to create spatial justice.

Figure 1: Comparative City Map – Informal Market Clusters

Title: *Spatial Distribution of Informal Market Activities in Lagos, Nairobi, and Mumbai*

Content:

- Three side-by-side maps (one per city) showing:
 - Major roads and transport nodes
 - Location of major informal market zones
 - High foot traffic areas (highlighted)
 - Areas with recent urban development or spatial conflict (e.g., market evictions)

Purpose: To visually compare the spatial logic of informality across three contexts, showing common locational preferences and adaptive reuse of infrastructure.

Table 1: Spatial Features Supporting Informal Market Activities

Spatial Feature	Definition	Observed Examples	Effect on Informal Activity
Permeability	Ease of access and movement through a space	Street markets along open pedestrian corridors	Increases customer flow and visibility
Modularity	Ability to adapt or rearrange structures	Foldable stalls, mobile carts	Enhances flexibility and resistance to eviction
Spatial Ambiguity	Blurred boundaries between public and private or formal/informal	Use of sidewalks, building frontages, vacant lots	Enables occupation without triggering enforcement
Proximity to Nodes	Nearness to transport hubs or high-traffic areas	Bus terminals, railway exits	Facilitates dense, consistent customer base
Temporal Layering	Time-based shifts in spatial usage	Night vending in formal spaces like plazas	Allows coexistence with formal users

Purpose: This table systematizes the key spatial characteristics observed and their relevance to informal economies.

Figure 2: Conceptual Diagram – Formal vs Informal Spatial Logics

Title: *Interplay Between Formal Urban Design and Informal Spatial Practices*

Structure:

- A two-column flowchart:
 - **Left Side:** Formal planning goals (zoning, pedestrian hierarchy, beautification, surveillance)
 - **Right Side:** Informal adaptations (occupation of transitional spaces, temporal markets, flexible structures)

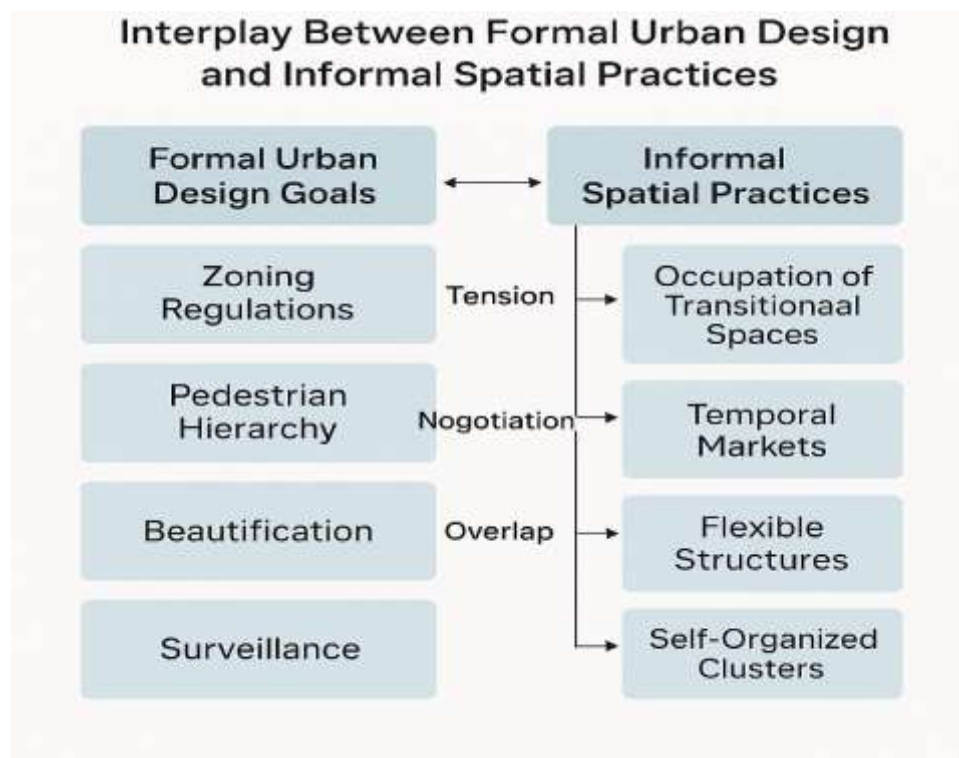
- Arrows showing points of tension, negotiation, and overlap

Purpose: To visualize the dynamic relationship between official spatial strategies and informal spatial use, emphasizing negotiation rather than opposition.

Table 2: Interview Themes and Frequency (n = 30)

Thematic Category	Frequency Mentioned	Illustrative Quote
Spatial access limitations	22	"They always remove us when we're near the bus stop, but that's where people are."
Adaptation of space	18	"We use umbrellas and carts so we can move fast if city officials come."
Exclusion from planning decisions	25	"No one asks us where we want to work. They just build without us."
Resistance strategies	15	"We pay local youth to alert us before raids."
Desire for inclusion	28	"We want proper space, not just to be chased all the time."

Purpose: To give qualitative insight into vendor experiences and strengthen the connection between spatial analysis and lived realities.



Conceptual diagram (Formal vs Informal Spatial Logics)

V. Conclusion

We have shown in this research how informal market activities play an important role in urban economies, and how the architectural and spatial design of cities plays an important role in shaping that informal market activity. It is important to engage the spatial practices of informal market vendors as part of an agenda for developing more inclusive and equitable cities. This research suggests a shift conceptualizing and perceiving the architectural and planning approaches we are adopting more overtly, accepting and embracing informality as a legitimate urban spatial practice. In the future, urban design must be adaptive, based on inclusion and participation, to assist in transition from formal spatial governance to informal spatial practice.

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