Trade in consumer electronics and household appliances in Bolivia operates mainly from popular marketplaces. Multinational corporations enter these once informal, now enhanced economies. This article analyses the expansion of global brands into urban street markets, together with the local branding of electronics and the advancement of popular traders along transnational commodity chains. I argue that these socio-spatial transitions offer a counterintuitive articulation between the informal and the formal. Looking at specific localities along the commodity chain from East Asia to Chile and Bolivia, one sees not mere formalization of informal economies as often expected nor a rampant informalization as attributed to current economic globalization, but piecemeal formalization of traders as much as a partial informalization of all actors involved.

En Bolivia, la venta de equipos electrónicos se realiza principalmente en mercados populares. Empresas transnacionales están operando en esos mismos lugares. Este artículo analiza la expansión de marcas globales en el comercio popular y la creación de marcas locales al mismo tiempo que el avance de comerciantes a lo largo de cadenas de acopio transnacionales. Mi argumento es que esas transiciones económico-espaciales marcan una articulación contra-intuitiva entre lo informal y lo formal. Enfocando localidades específicas a lo largo de la cadena comercial desde el Este de Asia hacia Chile y Bolivia, no se observa una mera formalización de la economía informal como muchas veces esperada ni una informalización total atribuida a procesos actuales de globalización, sino una formalización incompleta de comerciantes y una informalización parcial de todos los actores involucrados.

Introduction

If you want to buy a camera, a laptop, or a washing machine in La Paz, Bolivia, it is very likely that you end up in a shopping precinct called Eloy Salmón. Urban residents of all social strata buy computers and household appliances in this very populated area located in the district of Max Paredes, northwest of the city center, an area that has had a strong influx of indigenous migrants from the countryside since the 1950s, especially those of Aymara descent from the departamento (region) of La Paz.1 With the growth of this district, periodic fairs and closed markets have multiplied and a lively form of street trading has been created. People sell fresh and processed foods, fabric, clothes, and many other goods from fixed sites on the sidewalks and from semi-enclosed stalls. A dense network of seller organizations controls the distribution of selling spots and settle disputes. At first hand, this seems to resemble a classic streetscape of informal trade as described by Keith Hart four decades ago: small-scale, self-employed vendors who operate mainly outside state bureaucracy’s formalities and whose clients are, like them, lower-strata rural migrants in the city.

Yet marketplaces have undergone continuous change over recent decades. Street vendors have become shop owners, wholesale vendors, and importers; new traders have entered into lower levels of supply. Initial traders created footholds for others, and business diversified. Trade in foreign consumer electronics in particular has provided opportunities for economic mobility. The markets for electronic devices are located

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1 Aymara is the second largest indigenous group in Bolivia. In the census of 2001 1,287,627 persons (of a total of 5,076,251) identified as Aymara (INE 2001).
along Eloy Salmón and another street called Huyustus. Here, the built environment has significantly changed as the most successful traders have constructed galerías (shopping arcades). In reaction to this upgrading of street-level trade and the multiplication of retail shops, the global electronics companies Samsung, Sony, and LG have opened showrooms and sales divisions in the heart of popular commerce.

Moreover, Eloy Salmón’s younger retailers in their twenties and thirties now model themselves after Silicon Valley. They represent an urban, technologically and popular culturally savvy generation of traders, who diversify business strategies and offers in order to attract new buyers and external companies in the industry. They create additional services such as free repairs and home delivery, and place special emphasis on their knowledge and expertise in sales, adapt themselves to the presentational aesthetic of an upmarket clientele, seek institutional clients, and try to participate in public tenders. An example is Bernabé Saavedra, the grandson of one of the pioneer trader families in the area, who were first-generation migrants to the city in the 1950s. He studied business administration and worked temporarily at the telecommunications company ENTEL. With a friend from college, he founded the Internet portal www.eloysalmon.com.bo, and his goal is to be “the Amazon of Bolivia.” When asked about it, he admits that “the project is not very formalized yet” but that this is intentional. He wants it to emerge “in a garage as with them,” referring to Amazon, Facebook, and other new economy start-ups. His aim is to offer employment after investing in logistics and e-payment, which are the main challenges. Already today, the retail platform uses a range of products that are sold in the immediate vicinity of Eloy Salmón; however, it is mainly intended for the area’s dominant electronics division. It offers the individual dealers, who are not properly overseen by the state, the opportunity of presenting themselves on the Internet.

Initiatives and processes like those at Eloy Salmón question the notion of informality in a novel way. The concept of the informal economy has been prominent and debated in the academic and political record. It entered the debate in the 1970s as a way of thinking about the urban poor of the “Third World.” Keith Hart introduced the term in order to “persuade development economists to abandon the ‘unemployment’ idea and accept that there was more going on in the grassroots economy than their bureaucratic imagination allowed for” (Hart 2012, 3). In its original conception, as Hart himself acknowledges, it was a rather static, binary idea of the market versus the state, horizontal “popular self-organization” versus vertical organization (Hart 2012, 2).

In Latin America, such binary notions have been especially prominent as the discussion has become fused with debates about the transition between the traditional and the modern, dependency versus modernization, and social marginalization versus economic growth (Quijano 1998). The Regional Employment Program of the International Labor Organization for Latin America (PREALC) rapidly adopted the idea of the informal enterprise as linked to immediate livelihood needs, different from the capitalist enterprise and strategies of accumulation (Portes and Schauffler 1993). Hernando de Soto (1989) famously broke with the idea that informal activities are equated with economies at the poverty level, but immediately introduced another antagonism, that between state regulation and informality. In his account, informal entrepreneurs in the Andean countries are not only highly dynamic and competitive, but they would flourish unhindered if national regulations were simplified and taxes and customs duties lowered. These two perspectives—on the one hand structuralist approaches, Marxist and dependency scholars, and the ILO (Matos Mar 1984; Quijano 1998; Lins Ribeiro 2009); on the other hand legalist and liberal perspectives, De Soto and others—have shaped the debates on informal economies. In either perspective, the formal and the informal are seen as antagonistic insofar as the expansion of one entity displaces the other. Scholars stress that informalization is encroaching on the formal economy in times of neoliberal globalization (Hart 2012, among many others). Formalization is imagined as a culturally neutral process toward the meeting of international law, national standards, and industry conventions. Yet, both are not uniform processes, as unilateral models might let us think, but respond to national and regional histories and policies, as well as to peculiar practices of place. This article centers on such local peculiarities. Bolivian traders, while advancing their businesses, don’t follow the institutional path and cultural models of traditional business circles in their country. Such place-specific processes of formalization have important consequences on how we address and conceptualize popular economies in relation to economic globalization and international commerce.

In Bolivia, we observe an upgrading of popular enterprise without the dissolution of social and cultural peculiarities of place. The Eloy Salmón street as well as other marketplaces and commercial hubs in Bolivia and neighboring countries are more than abstract transfer and distribution points within a commodity chain; they are places where transnational connections and local markets are made through the mediation of traders with social and cultural attributes as well as economic ones.
In the remainder of this article, I further discuss the concept of the informal economy and related notions of "low-end globalization" and "place-based economy" before looking at the marketplace of Eloy Salmón as well as another popular commercial street in La Paz, and the free trade zone of Iquique (Northern Chile). In terms of methodology, I draw on ethnographic research conducted between 2013 and 2016. Over a total period of ten months, I closely observed economic exchange and social relations at both marketplaces in La Paz. I spent innumerable hours in traders’ shops and participated in local festivities. I accompanied traders on purchasing trips to border areas and to the Pacific port and free zone city of Iquique. I have also been in ongoing contact with corporate employees. A large part of the data interpreted here come from casual conversations at the marketplaces and at peoples’ workplaces, as well as from my observation of daily interactions between corporations, traders, and clients, and from participant observations at social events. In addition, I conducted semistructured interviews with traders and corporate sales staff.

**Popular Economies and Cross-Border Trade in Latin America and the Andes**

Ever since the intensification of rural-urban migration in Bolivia after the 1952 revolution, and the country’s debt crisis and structural adjustment in the mid-1980s that scaled back jobs in manufacturing and coincided with a serious drought in the highlands, small-scale self-employment, unprotected and hardly taxed by the state, has continued to increase. Urban markets and cross-border trade sustain hundreds of thousands of Bolivian lives. Research on market exchange since the 1970s (especially in foodstuffs and other goods of daily necessity) has described the dense network of commercial ties, interwoven with kin and godparent relations that stretch between the countryside and the city, across provinces and ecological zones (Buechler 1978; Buechler and Buechler 1996; Tassi et al. 2013). Women play a central role as trade intermediaries between the rural-indigenous and urban-mestizo world (Babb 1998; Buechler 1997; Buechler and Buechler 1996; Seligmann 1989; Scarborough 2010). Fewer studies have focused on cross-border trade in manufactured goods and contraband, although recent research has addressed the dynamics of small-scale activities between Peru and Bolivia (Odegaard 2008), Argentina and Brazil (Grimson 2002), and at the Triple Border of Paraguay, Argentina, and Brazil (Aguir 2010; Rabossi 2012).

Historically, market exchange in the Andes reaches back to the early colonial period (Larson, Harris, and Tandeter 1995; Mangan 2005; Langer 2009), and to precocious times in case of the Northern Andes (Ramírez 1995). Ethnohistorical research has shown the depth of cross-Andean trade, embedded in social rather than in state institutions. Still, the growing scope and intensity of trading activities in Bolivia since the 1980s is generally explained in the context of structural adjustment, the informalization of Latin American economies, and privatization and liberalization on a global scale (Itzigsohn 2008; Fernández-Kelly and Shefner 2008; Galemba 2008). Yet it can also be interpreted as a resurgence of native commerce as traders and service providers make use of novel opportunities: tradeable goods that appear in rapid succession, manufactured, showcased, and sold in and from East Asia. Although long-distance trade is not a new phenomenon, today ever more people tap into transnational commerce and world markets (Smart and Smart 2005). Brazilians, Bolivians, and other traders and trading families in Latin America reach out to neighboring countries and China for the acquisition of goods (Rabossi 2012; Aguiar 2012; Tassi et al. 2013). They are creating “global commodity chains from below” (Pinheiro-Machado 2013) but do not necessarily remain at the bottom. In the contemporary economic conjuncture, trading becomes a way of upward mobility as people move into commodity sectors with higher profit margins, and source merchandise transnationally.

Within this emerging field of research, Gustavo Lins Ribeiro and others (Lins Ribeiro 2009; Mathews, Lins Ribeiro, and Alba Vega 2012) have recently introduced the term “low-end globalization” (also called “globalization from below” and “popular globalization,” Lins Ribeiro 2009, 2012) to emphasize the fact that these economic actors are outwardly oriented in their purchasing strategies, regionally and even globally well connected, but differ from powerful states, international institutions, and big corporations that dominate “high-end” globalization. “Low-end globalization” is conceptualized as a series of knots (popular markets) interconnected through networks of goods (mostly low-budget) and through traders who participate in globalization and appropriate its commodities, but do so from a subordinate position (Lins Ribeiro 2012, 37). Whereas Lins Ribeiro emphasizes the (albeit implicit) political, nonhegemonic dimension...
of these commercial circuits, others (Rabossi 2012; Mathews and Yang 2012) are more concerned with the
social logic of commercial circuits, or with similarities to what has been seen as the informal economy.
Indeed, a key idea of low-end globalization is to take the notion of informal trading beyond the confines of
the nation-state, to move from the national economy to one single global economy: “We must speak not of
the ‘informal economy’ in this society or that one, but rather of ‘globalization from below’ encompassing all
societies” (Mathews and Alba Vega 2012, 3).

My article engages with this literature, but I wish to partly readdress the debate. As others have remarked
(Rabossi 2008; Bandyopadhyay 2012), differentiating between actors of high-end and low-end globalization—
as if they were located in distinctive economic spheres—might hinder the comprehension of the multiple
intersections of commercial worlds. As popular economies are usually highly visible in urban spaces, and
formal enterprises are hidden in office blocks, corporate actors are more difficult to access and comprehend.
Grasping globalization from above “through statistics” (Mathews and Alba Vega 2012, 5) is only a tiny first
step toward the analysis of the powerful players and their hypermobile capital flows in current globalization.

As transnational corporations move into popular marketplaces and local entrepreneurs upgrade their
businesses both locally and transnationally, the notion of separate economic worlds must be questioned.
Traders build shopping galleries and office blocks, whereas corporate employees go out into street markets.
At the same marketplace of Eloy Salmón, original brands and copies coexist. The availability of falsified and
even stolen devices in some areas, side streets and more hidden spaces, doesn’t hinder the corporations
from doing business with those traders who upgrade and, at least partly, sell brands with an original serial
number.4

The shopping precinct of Eloy Salmón is a knot of commercial transaction in the electronics commodity
chain from East Asia to Bolivia, and it is more than that. As popular markets in other parts of Latin America
and all over the world, Eloy Salmón is a locality, the “anchor of politics, identity, community, and practice”
(Aguirar 2013, 251). This anthropological notion of locality implies that the “everyday work of chain [and
market] making” (Çalişkan 2010, 9) is situated at places that have their own history of trading. Cultural
practices, visions, and evaluations of the local trade shape interactions and eventually feed back into
commodity chains up- and downstream.5

**Informal Economy and Place**

The importance of place for economic performance has been increasingly recognized across the social
sciences, including geography and economics. The local clustering of small, complementary enterprises
is assumed to be a promising path to growth and innovation for national economies worldwide (Porter
2000). However, informal economies are rarely approached or analyzed as economic clusters, especially
when they rely heavily on commercial activities. Mirroring the early informal sector debate, they are viewed
as low-skilled and low-investment, and therefore deemed to possess low business potential. They do not fit
the conventional top-down and policy-oriented literature (Porter 2000; for Latin America, see Felzensztein et al.
2014; Giuliani, Pietrobelli, and Rabellotti 2005). If they are mentioned, they appear as “survival clusters”
with few possibilities of withstanding the winds of change (Altenburg and Meyer-Stamer 1999). However,
existing spatial clustering of commercial activities are far more heterogeneous than defined in the business
literature.

Without being able to discuss this literature in great depth, I want to make some observations about
popular marketplaces as economic clusters. The physical proximity of traders enables the exchange
of tacit information and practical knowledge, and low entry and transaction costs apply to small-scale
production and informal trade in the global South just as to migrants’ businesses and trade diasporas
worldwide. Minority businesses often organize territorially in the outskirts of cities and certain working-
class neighborhoods, where they build a dense network of social interactions, which has the potential to
create solidarity, trust, and cooperation (Pérez Sáinz 1998; Itzigsohn 2008; Colloredo-Mansfeld 2011). Self-
employment is an option for rural indigenous and international migrants and their offspring, who suffer
from structural disadvantages and ethnic discrimination in society and national labor markets (Zhou 2004;
Portes, Haller, and Guarnizo 2002). It is argued that such spatially clustered activities can remain low-skil

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4 The corporations claim that they hardly see knockoffs in Eloy Salmón. However, they can be found in the side streets and narrow
pathways between Eloy Salmon and nearby markets. As they usually have stickers but no markings of the brand names, falsified
consumer electronics, with the exception of mobile phones, seem easier to detect than counterfeits of other finished goods.

5 This approach has been informed by “the cultural turn” in economic analysis, an interdisciplinary movement within the social
sciences (for an overview, see Amin and Thrift 2004).
and low-margin work and therefore marginalized from global economic developments, or they can generate skill formation and upgrading of business (Pérez Sáinz 1998). In fact, both types often coexist in the same geographic space. It is not always as the literature assumes, that one cluster becomes high-end and the other remains precarious. It is at the same marketplace that we find a Bernabé Saavedra, whose dream of the new economy doesn’t seem that unrealistic, and micro-scale traders who rent tiny sidewalk stalls and minuscule shops and struggle to make a living.

A dynamic approach, as exemplified by Werbner (2007), that looks at interfirm relations and gradual transformations of specific sites is able to account for the generation of markets and the often-sudden visibility of popular and migrant economies. Still, from a cultural anthropological perspective, there is more going on. If we look at not only economic but cultural investments in a given location, we can trace and conceptualize a “place-based economy” that “reframes the mutual dependence recognized in cluster initiatives” (Colloredo-Mansfeld and Antrosio 2009, 154). The notion of a place-based economy pushes the approach toward an understanding of the cluster as a locality where economic activity is embedded in social networks and institutions, cultural work, collective perceptions, and shared meanings, as well as processes of socioeconomic differentiation. Before exemplifying such a locality (though the ethnographic analysis of Eloy Salmón), I will give some background information on this shopping precinct, the related wholesale market of Huyustus, and on the commodity chain of consumer electronics into Bolivia.

**Popular Marketplaces for Consumer Electronics in La Paz**

La Paz, the seat of the Bolivian government, is a traditional commercial center of the country, located at the intersection of the historical routes between the Andean highlands and Pacific coast. The city of El Alto emerged above the basin of La Paz as a result of waves of immigration since the 1950s; together the cities form a densely populated metropolitan area of 1.6 million people. It is one of the main distribution points for electronic and digital devices in Bolivia (Tassi et al. 2013, 101).

Since the 1950s, many migrants who came from communities near the Peruvian border started to work as street vendors in the five-hundred-meter-long Eloy Salmón. One of these traders, Fernández, now in his sixties, remembers when sewing machines from Peru were first sold. He started off with a rudimentary roadside stand once he started working with his wife, who comes from a family of traders. Both have experienced the developments of the last decades: in the 1980s radios, black-and-white TVs, record players, and tape recorders supplemented sewing machines and typewriters, batteries, and other early products. In the 1990s, color TVs, stereos, and household appliances such as refrigerators and computers were added, before business began in the 2000s with laptops, mobile phones, and tablets. The import routes changed depending on the product and date. Ángel Fernández had traveled with colleagues to Panama (the free trade zone of Colón), to Miami, and lastly to Chile (free trade zone of Iquique). Others have made their way to Brazil and China, or order directly via the Internet and WhatsApp. As the Eloy Salmón traders have specialized in retail, and the once informal street market has evolved into a shopping precinct for all social classes, traders find less time to travel. It is the Huyustus market that has specialized in imports and wholesaling.

Huyustus is a large bazaar-like market, initially emerging periodically as a feria (fair) but now permanent. For a length of over two kilometers, one stall fits alongside another in three parallel rows. Huyustus is synonymous with this open-air marketplace, where the products alternate in succession. At the top end, consumer electronics are sold from stalls and shops that opened in the surrounding area. Traders have relatively small shops, despite the fact that 48-pixel TV screens, sound systems, or laptops are rather bulky. Goods are warehoused in adjacent streets. This whole area emerged in the 1980s, later than electronics sales in Eloy Salmón. Small retailers, who had family ties in places along the train route from La Paz to Arica and along the highways to Chile, began to travel to purchase goods; later they worked as couriers (pilotores) (Tassi et al. 2013, 120). They handled logistical matters between the Chilean ports and La Paz, including the customs formalities, and this knowledge has brought benefits.

The Huyustus market is a bit farther from the city center than Eloy Salmón and a little less accessible for upper-level individuals, although clients are as heterogeneous as in Eloy Salmón. Remarkably, supermarkets in the wealthier parts of La Paz also purchase consumer electronics from these popular wholesalers. It seems analytically unfruitful to distinguish formal distributors and stores from informal importers and retailers, given the high level of interrelation of the sectors. Both corporate and popular retailers buy from importers and wholesalers who are involved in contraband and avoid paying customs duties and sales taxes.

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6 Name changed.
At both places, Eloy Salmón and Huyustus, businesses are informal in some areas (customs duties, sales and income taxes, commercial uses of public space), but formal in others (registration with municipal and national authorities, business licenses; membership in officially recognized traders’ associations). As has been shown for other cases, the local and national governments (Cross 1998), in reaction to organized interests and collective struggles of traders, and their own need for political support, negotiate the implementation or nonimplementation of the law, which leads to a situation of “semiformal recognition” of these businesses (Smart and Zerilli 2014). This recognition from above is enhanced by East Asian corporations that directly engage with the traders. Indeed, “corporate formalization” builds on these previously accorded “extralegal norms” (Smart and Zerilli 2014, 229) between the La Paz local government, certain ministries, and trader’s organizations (Müller 2016).

**Free Trade Zones and Downgraded Formality**

Free Trade Zones have been recommended since the 1950s by international institutions such as the World Bank and the US Agency for International Development (USAID). In South America, such zones were promoted by the authoritarian regimes of the 1960s to 1980s. The Free Trade Area of Ciudad del Este (Paraguay) was founded in 1960 by dictator Alfredo Stroessner; the legal basis for the two dockside free trade zones in Chile (Iquique and Punta del Este) was adopted under Augusto Pinochet in 1975. The Bolivian free zone of Cobija on the border with Brazil was founded in 1965 during the co-administration of military rulers Barrientos and Ovedo. These zoning projects, as in the case of Tacna (Peru), have aimed to give economic stimulus to the periphery of nation-states. Customs and tax exemptions, simultaneously furnished with infrastructure, were meant to accelerate the movement of goods, which would potentially attract international investors.

These territorially bounded zones of free trade can be considered South America’s “neoliberal exceptions” (Ong 2006) as they were established in a period when import substitution still prevailed. However, the zones’ status as customs extraterritorialities has remained surprisingly unaltered by the dramatic shifts in national economic policies and the return to state regulation among leftist governments in the region, and despite integration agreements such as MERCOSUR (Common Southern Market) and CAN (Andean Community of Nations). Although mainly intended as spots of industrial development and export, the zones have been mainly used by South American traders and import intermediaries from all over the world.

The free port and free trade zone of Iquique (Zona Franca de Iquique, or Zofri) is an international import and re-export hub for foreign manufactured goods. It is an enclosed compound of streets with hundreds of shops and galpones (warehouses). Small- and medium-sized entrepreneurs and family firms from around the world have been attracted by the fiscal incentives, minimal regulations, and the business environment of the zona franca. It is a multisectorial, ethnically heterogeneous trading center. Fewer than half of the registered companies are owned by Chilenos.

Iquique has been a strategic place for Bolivian traders. By traveling the twelve-hour bus ride from the Bolivian highlands all the way down to Iquique, traders gained access to the latest consumer goods. They purchased wholesale from the international intermediaries and distributers, accumulating experiences and making contacts that have enabled them to expand the scope of their operations. Multinational corporations, before being present in Bolivia, have established branches in Zofri, where they got to know the Bolivian commercial partners. It is in the context of this heterogeneous commercial world of small family firms and big corporations, of businesses from around the world interested in South American markets, that Samsung and the like first made contact with the needs and customs of Bolivian traders. Instead of dealing with a handful of big retailers and department store chains (as electronics corporations would do in Chile and the global North; see Tsing 2009 on Walmart-type supply-chain capitalism), they adapted to their new clients’ peculiarities, making deals with intermediaries and offering promotional banquets and other unusual incentives for small-scale Bolivian traders (Müller 2018).

Zofri Iquique marks the first encounter of big enterprise and popular trade in an overall environment of downgraded formality associated with free trade zones, port free zones, and special economic zones around the world (McCalla 1990; Easterling 2014). We observe the convergence of bottom-up forms of economic informality and top-down evasion of state legislation that also extends into Bolivia. In the following, I analyze how the upscaling of popular business practices is concomitant with an ongoing politics of place rather than an orientation toward the national economy.
Local Upgrading and the Development of a Prestigious Shopping Precinct

Different transnational commodity chains and networks end up at the marketplace of Eloy Salmón. Eloy Salmón has been transformed from a place where everything from staples to manufactured goods was sold from open-air stalls and out of small shops, into a retail area for mainly consumer electronics. With the exception of stalls for food and beverages, everyone now sells and repairs household appliances, TV, computers, and the like. The trade in consumer electronics is spreading farther and farther down the road and into the side streets. Eloy Salmón is five blocks long, and in 2013 nearly all shops in the first three blocks sold electronics. In 2014, lively construction activities in the fourth section were noticeable. Four new buildings have already been put into operation; two of them are being used by a single company, which is a novelty, as the stores on Eloy Salmón are traditionally small. One of the buildings is rented by the official representation of Chinese corporation Changhong, the other is used by Dismac, a company from the formal sector of the more prosperous and “Western” city of Santa Cruz de la Sierra. The two other new buildings are galerías (galleries or shopping arcades).

Retail spaces of the galería type have existed since the 1990s. In contrast to urban policies and corporate investments that create “modern” shopping malls by destroying or marginalizing popular marketplaces (Applbaum 2005; Milgram 2015), in La Paz traders have themselves changed the environment by constructing shopping arcades. Instead of top-down projects that replace businesses as a way of formalizing them, in Eloy Salmón local traders themselves incrementally upgraded retail spaces and practices. According to the Association of Traders of Appliances of Eloy Salmón, there are now about 650 traders in the area of Eloy Salmón and its side streets; an increasing number of them operate inside these multiple-floor galleries that have significantly expanded the retail space available. While existing houses were at first simply converted into galleries by property-owning families who sublet retail space to individual dealers, in the late 1990s Ángel Fernández and his wife, together with thirty other traders, built one of the first new shopping arcades in Eloy Salmón. It is a five-floor building; the entrance area of the arcade, called Gran Poder, is bright and welcoming and the intermediate routes are free of stalls. Gran Poder is aimed at customers who deem this to be a sign of reliability and transparency. The gallery has the highest sales rate for devices with the manufacturers’ official serial numbers and warranties. Only those goods that the corporations can digitally track back all the way from Eloy Salmón to the factory have them. The serial number is a source of legitimacy vis-à-vis the global brands. A growing number of traders, although not properly registered and taxed within state institutions, make sure to deal with devices that are formally recognized by Samsung, Sony, and LG. This practice is stimulated by the corporations, which offer an extra payment to shop owners and vendors for every item sold of this kind.

The aforementioned Bernabé Saavedra utilizes the increased corporate recognition and public reputation of the Eloy Salmón to build his online retail platform: “From the beginning I wanted to include the entire Eloy Salmón because Eloy Salmón is a well-known market nationally and internationally” (interview, La Paz, October 2014; my own translation). As traders from Eloy Salmón have expanded their activities and networks, this street has become known as a market with an extraordinary variety of products at good prices. The board of directors of the Association of Traders claims that Eloy Salmón “has taken shape regionally and nationally” and that eight out of ten La Paz inhabitants have visited it for purchases.8 Traders say they are even recognized in China, where mentioning the name of the marketplace transmits familiarity and reliability. They see the US multinational retailer Radio Shack, with its two branches in La Paz, as the only competitor to their market presence, thereby comparing the colorful street with its hundreds of traders with the franchise stores of a single company. The good reputation, the “prestige” of Eloy Salmón as the traders call it, acts as a collective trademark here. The turnover of individual traders relies on the reputation of the entire street and its attractiveness for a diversity of customers. This process is especially remarkable as popular markets are often equated with marginal people and lack of prestige; in fact it seems that former La Paz distributors of European descent thought that selling in Aymara markets would harm the good reputation of Western goods (Tassi et al. 2013, 207).

Saavedra’s effort to create an Internet platform and online commerce for Eloy Salmón builds on the generalized perception of the shopping precinct as the marketplace for electronics in La Paz, where one can create and endorse a marca, a brand. Rosvania, a family firm of household appliances, today formalized as a “Sociedad de Responsabilidad Limitada” (SRL) but grown out of the small-scale retail activities of the now wife and co-owner, a first-generation trader of Eloy Salmón, owns five different shops along the shopping street (and four others elsewhere in Bolivia), but only makes 8 percent of

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8 Other sources verify this assertion.
its profits there. The husband and associate director explains: “It is for the image” (interview, La Paz, September 2013). Although the main business operations of Rosvania take place in other markets and notably not in retail but wholesale, being present in Eloy Salmón is essential for being seen and perceived by the competition and customers. The fact that multinational corporations and companies from the city of Santa Cruz look to maintain physical proximity to the precinct confirms the traders’ notions of prestige. These actors from outside also frame their presence in Eloy Salmón as a marketing issue. The commercial director of Dismac, the aforementioned store for household appliances in Santa Cruz de la Sierra, expresses his opinion that “people want a brand” and that in Santa Cruz they have managed to establish their store brand; in La Paz they try to do so by constantly amplifying their retail space in Eloy Salmon (interview, La Paz, September 2013).

The prestige of Eloy Salmon has to do with qualities that go beyond those of a shopping precinct. It rests on more than commercial achievements. It has material as well as cultural and religious dimensions. The growth of the trade is associated with the growth of the brotherhoods and festivals: “The Morenada dance grows with the commerce” is heard again and again. The local patron saint Jesús del Gran Poder, celebrated during an entire week each June with processions that cover the whole city, is located in a parish in a side street of Eloy Salmón (Barragán and Cárdenas 2009; Himpele 2003; Tassi 2010).

The traders of Eloy Salmón have created a sophisticated festive cycle around the saint. Each of the ten “blocks” (bloques), subunits of the Brotherhood Morenada de la Eloy Salmón, puts on its own celebration throughout the year consisting of Mass and a procession, followed by a reception, dinner, and dancing at a nearby restaurant. Morenada is the most prestigious Bolivian folklore dance, with the heaviest and most expensive costumes. Almost all members of each block dance in the procession, women’s chola costumes changing from year to year. While the movements and steps of the Morenada style hardly vary, the lyrics are individual. The block of Suma Maquineros, for example, sings of their beloved street, which they have proudly “cofounded” with the distribution of mechanical parts and batteries, with the refrain “Siempre de la Eloy Salmón” (“Always from Eloy Salmón”). Their matraca (rattle), a small percussion instrument that all the dancers of the Morenada hold in their right hands, has the form of a large battery. Moreover, processions will always start at the nearby church of Jesús de Gran Poder, march along the surrounding streets until they come to a halt amid the shops. The dancers literally celebrate with the goods; beer crates are stacked up next to refrigerator boxes in the immediate vicinity of the revelers. It is this analogy of the circulation of goods and reciprocal serving, and this juxtaposition of the material and spiritual, which creates additional prestige in the eyes of the traders. As a response, the corporations have broadened their marketing efforts to include support for local fiestas. Samsung, Sony, and LG all sponsor musical instruments, bands, and banquets.

In sum, by enhancing the built environment and their business practices, traders at Eloy Salmón have created an enduring shopping precinct with the reputation of being the most important marketplace for electronic devices in La Paz. Global brands and national stores have entered the marketplace to be seen and known by Bolivian consumers. They choose Eloy Salmón in order to create and enhance their brand. This commercial branding, consisting of marketing strategies to differentiate one’s products from others with similar qualities (Malefyt 2009), counts on prior economic and cultural investments of local traders. The corporations try to capture the economic value of the street’s prestige; so does entrepreneur Saavedra by creating a virtual version of the physical Eloy Salmón. Yet the symbolic value of the street is not exclusive but inclusive of all businesses. Even traders who do not stand out, who do not have the ability, capital, or social resources to build an individual commercial reputation, can still profit from the street’s public image. The branding initiatives of both corporate and popular enterprises rely on prior collective investments that have been economic as well as cultural.

Conclusions

Marketplaces such as Eloy Salmón have been conventionally seen as marginal compared with national economic development, as merely temporary solutions for urban unemployment, a means but not an end, only useful until formal employment would be created. Yet Eloy Salmón has remained. It has developed from street trading into an upscale retail spot of shopping arcades known nationwide as an area that has the entire range of consumer electronics on display. Although younger traders are increasingly differentiating

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9 The chola costume is a multilayered skirt associated with rural-urban market women all over Bolivia. Festive polleras in La Paz are very expensive, women named a price around US$1000 in 2013 and 2014.

10 For the cosmological significance of abundance among traders of the southern Andes and its association with the circulation of goods, ideas of reciprocity, and prosperity, see Tassi 2010; Ødegaard 2011.
and upgrading their businesses, they still rely on earlier cultural investments in the built environment, civic events, and the collective reputation.

These practices mark an upgraded informality, as the traders’ activities are not primarily directed toward the national economy and the state but toward local customs and the symbolic value of place. Their social engagement is not directed toward traditional entrepreneurial circles but toward the immediate environment. Practices mark a downgraded formality as traders do not need compliance with state regulations in order to meet corporate standards and business practices. They sell goods with manufacturers’ serial numbers, upgrade retail areas, and employ professional branding strategies without being taken over by established business sectors, and while still being considered informal by national political actors and traditional elites. They build not so much on the official authorization of the state but on corporate recognition of their practices and shops.

In sum, the East Asian–Bolivian distribution network for consumer electronics reveals an encompassing downgrading of formal economic activity (at the free zone of Iquique and in Bolivia) in parallel with a new legitimacy of popular enterprises. Here, two socio-spatial transitions are at work: (1) The sociocultural formalization of an economic cluster in the way that intergenerational investments in prestige and civic ritual form a “place-based economy” (Colloredo-Mansfeld and Antrosio 2009); (2) an upgrading of individual business operations created and enhanced by multinational corporations and national companies that actively engage with popular traders.

The processes show that the informal is not antagonistic or hostile to the formal; popular traders and entrepreneurs do not necessarily remain marginal or have to be taken up in what is conventionally perceived as the formal economy; they persist, formalize partially, build up place-based economies, and eventually thrive along transnational commodity chains. Traders not only add economic value (Babb 1998); their social institutions and cultural investments are potent organizers of the economy. This urges us to rethink the dualism of the supposedly modern, contractual, and legible on the one hand, and the supposedly traditional, oral, and disruptive on the other. Although the dichotomy between the formal and the informal, and between high-end and low-end globalization, might be seen as merely analytical (Guha-Khasnobis, Kanbur, and Ostrom 2006); ultimately, these conceptual models still rest on the idea of two halves of a social whole, either of the national or the global economy (see Hart 2012).

What we observe instead are highly complex transnational commodity networks and a diversity of economic actors interacting at local marketplaces. Comparable processes are happening in Latin America and other parts of the world as multinational corporations, especially from East Asia, search for new markets and tap into popular trading. We might have to think of concepts other than that of the informal economy, and terms other than uniform informalization (or neoliberalization) in order to grasp such socio-spatial transitions. To begin with, an ethnographic understanding of a place-based economy is one such approach. Other concepts should be added in order to address and evaluate the cultural dynamics and economic and political consequences of linkages between corporate and popular enterprises in world trade.

**Acknowledgements**

This article was born out of my postdoctoral research at the University of North Carolina at Chapel Hill. I am very grateful to the Anthropology Department for discussions on several issues raised here, and especially to Rudi Colloredo-Mansfeld for his critical reading and very useful suggestions made on earlier versions of the text. Thank you also to the two German and four Bolivian students who were my fieldwork assistants during a month in 2013. The anonymous reviewers made very productive comments.

**Author Information**

Juliane Müller is a researcher at the Department of Social and Cultural Anthropology, University of Munich (LMU, Germany). Her interests include economic anthropology, trade and markets, transnational migration and local politics, and historical memory, as well as sports from a sociocultural perspective. She is the author of Migration, Gender, and Soccer: Bolivians in Spain (Berlin, 2013) and coeditor with Mario Murillo of ‘Otro Fútbol’: Ritualidad, organización institucional y competencia en un siglo de fútbol popular en Bolivia (1896–2014) (La Paz, 2014). Among her recent articles are “Rethinking the Plural Economy: Popular Commerce in Plurinational Bolivia” (Psychosozial, 2016) and (with Adolfo García Jerez) “Between Two Pasts: Dictatorships and the Politics of Memory in Bolivia” (Latin American Perspectives, 2015). Her current research addresses trade in consumer electronics in Bolivia and along the commodity chain from China to Chile and the Andean highlands.
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How to cite this article: Müller, J. Place-Based (In)formalization: A Bolivian Marketplace for Consumer Electronics and Global Brands. *Latin American Research Review*. 2017; 52(3), pp. 393-404. DOI: https://doi.org/10.25222/larr.68

Submitted: 21 August 2015 Accepted: 07 November 2016 Published: 22 September 2017

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