

# City-stories: Narrative as diagnostic and strategic resource in Ciudad del Este, Paraguay

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**Abstract**

Too often, planning theory misidentifies how planning and governance practice actually works in troublesome zones understood as unplanned or ungoverned. To counter this tendency, I use ethnographic research in one of the most active border economies in the hemisphere, where noncompliance with trade and use-of-space laws is widespread. In contrast to the commonly held assessment that Ciudad del Este, Paraguay is lawless and unplanned, I show how planners promote elite-led and exclusionary urban transformation via the strategic deployment of narratives of the unplanned city, what I call “city-stories.” However, city-stories are also a terrain of contestation. I analyze the city-stories of precarious street vendors as a diagnostic of power, as embodied perspectives on everyday practices of regulation that can clarify how local state actors actively foster spatial disorder and legal uncertainty as part of planning practice.

**Keywords**

ethnography, governance, illicit trade, informality, narrative, planning practice, street vending, unplanned spaces

This is one of the world’s great centers of lawlessness.

(*New York Times*, quoting a Brazilian Federal Police Official)

There is no planning ... here we have chaos.

(Ex-mayor of Ciudad del Este)

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## Introduction

Many describe Ciudad del Este, Paraguay as lawless, ungoverned, and unplanned. Indeed, the volume of the unregistered, “informal” border trade once exceeded the nation’s official gross domestic product (GDP). In Paraguay’s second largest city, noncompliance with trade and use-of-space law is the norm. Yet, paradoxically, city planners use city-stories of “the unplanned city” as strategic resources to promote elite-driven urban transformation. In this article, I analyze how narratives of the unplanned city contribute to materializing their opposite: a city built through calculative, purposive interventions into the urban environment by state actors, in short through planning practice. Seeing the city through the stories of marginalized street vendors is, I argue, a useful vantage from which to analyze the everyday practices of planning that produce Ciudad del Este.

Ciudad del Este is a hub-city facilitating global commodity flows from East Asia to the growing Brazilian middle class. Today, 20,000 small-scale street vendors and urban entrepreneurs profit from these globalized commodity flows, as do established networks of large-scale importer/exporters and *contrabandistas*. Entrepreneurial Brazilian “ant traders” drive trade as they seek cheaper prices on consumer goods like iPads or fake Gucci handbags for resale in other South American urban centers.<sup>1</sup> At its peak in the mid-1990s, analysts estimated the border trade at US\$10 billion, more than the GDP of the nation at that time (Abínzano, 2005). The dynamism and complexity of the border trade are increasingly garnering scholarly attention (Aguiar, 2010; Béliveau and Montenegro, 2010; Mathews and Ribeiro, 2012; Rabossi, 2008) as well as fierce critiques from Paraguayan economists arguing the border trade impedes national economic growth (Masi, 2006; Ruiz Díaz, 2011). However, the spatiality of the illicit border trade remains unexplored.<sup>2</sup> My research details how the planning apparatus enables the illicit border trade through a historically specific form of governance I call “regulation by ambiguity.” Regulation by ambiguity is characterized by *legal opacity* (the proliferation of contradictory regulations; sporadic, politicized enforcement of law; substantial *de facto* bureaucratic discretion) and *spatial illegibility* (a mismatch between official maps, land titles, and so on and the physical geographies they purport to represent).

The stakes of my argument are twofold. First, planning theory needs better accounts of actually existing planning practice, especially from cities where planning practice diverges from the handful of North Atlantic cities that currently dominate the research agenda (Robinson, 2006; Watson, 2013). In our young, urban century, most of the world’s population will live in understudied, mid-sized cities of the Global South. Confronting 21st-century challenges requires understanding the diversity of planning and governance practices in hitherto “off-the-map” cities and in spaces that tend to be mis-theorized as operating outside state control (Robinson, 2002). Thus, I contribute to emerging scholarship interpreting how systems of planning can be simultaneously purposive and fraught with uncertainty—directed and ambiguous (Devlin, 2011; Roy, 2009; Watson, 2002; Yiftachel, 2009a).

Second, I suggest that planning theorists turn ethnographic attention to stories of urban change as diagnostics of power. Such narratives offer a novel means to assess governing and planning practice in cities organized through unfamiliar practices and logics. My approach differs from theorists promoting “planning as persuasive storytelling” (Fischer and Forester, 1993; Throgmorton, 1996, 2003). My focus here is not story-craft

to generate a shared vision of urban development through planning process predicated on communicative rationality. Rather, it resonates with Sandercocks' (2003) dimension of storytelling as "critique and/or explanation," albeit with more attention to the diversity of everyday practices of planning (p. 21). Infused with the spirit of feminist epistemology, I emphasize knowledge as embodied, partial, and situated (Haraway, 1988). The stories of the marginalized and dispossessed, then, offer a situated, partial—yet still crucial—perspective from which to understand the workings of power.

The article proceeds as follows. I explain my concept of "city-stories" as I introduce readers to Ciudad del Este, Paraguay. Then, I review different perspectives on "unplanned spaces" within the planning theory literature. I ask, "Must spatial disorder and unruly economic practices be interpreted as state incapacity or the absence of urban planning?" Drawing from 15 months of ethnographic and historical research, I describe how planners use narratives of the unplanned city as a strategic resource, one input into layered processes enabling the city's current path of exclusionary urban development. Crucially, the city-stories deployed by urban planners and municipal officials underwrite a wave of "formalization" interventions that criminalize the spatial practices of the poor while celebrating the equally informal practices of economic elites.

Finally, I highlight how street vendors' city-stories offer an important window into everyday planning practice. To conclude, I demonstrate how the city-stories of precarious street vendors can be a diagnostic of power to clarify how local state actors actively foster spatial disorder and legal uncertainty as everyday practices of regulation, what I am calling regulation by ambiguity.

## **An ethnography of planning practice in a frontier city: context and methods**

Stories both enable—and are a means to explain—situated social practices. I introduce the concept of "city-stories" as a means to analyze competing narratives of Ciudad del Este. With this construct, I highlight the constitutive link between discourse and materiality: the spatial fabric of a city comes into being alongside and through a discursive, meaning-making register narrating what the city is, should be, and for whom. The co-constitution of urban space and discourse is well documented (Caldeira, 2001), and I signal this relationship with the hyphen linking city-stories. The pluralization of city-stories indicates that narratives themselves are a terrain of contestation.<sup>3</sup>

Strategically located on the borders of both Brazil and Argentina, the city's vibrant border trade is, perhaps, "the largest illicit economy in the Western Hemisphere" (Brown, 2009). The scale of the illicit border trade fosters "perceptions of the region as a wild spot where illegality is tolerated" (Aguiar, 2012: 171). The city's disorder is narrated in two registers: as a concentration of illegal economic activity and as spatial disorder characteristic of an exemplar unplanned city. For instance, a local blogger writes that past planning failures result in current spatial disorder, employing the common tropes of disorder, corruption, and a lack of planning:

All of the city's original founders agree that there was never a real, serious urban development plan, and so [Ciudad del Este] grew in a chaotic and totally disorganized fashion. Then, as

today, each Mayor ... did nothing ... of service to the city, only filling up their own pockets ... Local political bosses [*caudillos*] made and destroyed at their whim ... [There were] high-rise buildings without adequate authorization ... the occupation and commercialization of public green spaces, allowing the invasion of sidewalks by thousands of vendors which denigrated the image of our city and gave it a bad reputation internationally. They neglected emergency exits and improvised dangerous electrical installations, they sold off municipal land without a thought, allowing and benefiting from the illegitimate construction of gas stations and shopping malls where they don't belong, on land stolen from its rightful owners ... (Steimberg, 2013)

Deep socio-spatial inequality characterizes Paraguay and Ciudad del Este. A small elite holds most of the country's wealth and land. Aside from a brief interruption between 2008 and 2013, the long-ruling conservative Colorado party has had a continuous hold on political power since 1954, largely under the tenacious authoritarian rule of General Alfredo Stroessner (1954–1989).<sup>4</sup> Despite a fast-growing economy—with GDP growth above 4% for most of the last two decades—poverty rates are among the highest in Latin America (World Development Indicators, 2014). Stark social divisions between the rich and poor materialize not only as skewed distributions of wealth and life opportunities but also as incommensurate worldviews. Like Vanessa Watson's (2006) "deep differences," agonism operates through divergent ontological, epistemological, and linguistic practices and assumptions. Guaraní is widely spoken throughout Paraguay, but many elites associate the Guaraní language with rural life, poverty, and an anachronistic past. If Guaraní is the language of family and friends for the popular classes, then Spanish is the language of bureaucracy and power. Thus, poor Paraguayans literally speak a different language than upper-class urbanites. Likewise, the lifeworlds associated with persistent precarity yield experiences and structures of feeling that are largely unintelligible to elites (Hetherington, 2011).

As a crucial frontier city, Ciudad del Este acts as a globalized hub in spatially extensive geographies of illicit trade and a relay in South–South circuits of commodities and capital. A decade after the city's founding in 1957, the border economy boomed. The authoritarian Stroessner regime encouraged the border trade through a state strategy of low taxes, minimal tariffs, and the proliferation of exceptional (and contradictory) border regimes. Contraband and Stroessner's Colorado party fused, as the regime divvied out frontier rents to political and military elites. Stroessner famously called contraband "the price of peace," a foil against threats of a factionalist coup. Smuggling dovetailed with the legal border trade to the extent that distinguishing between legal and illegal trade is not possible.

Then, as now, the classification and circulation of most consumer goods are marked by moments of illegality. Likewise, much urban construction facilitating trade is out of compliance. During the trade boom of the 1980s and 1990s, politically connected frontier businessmen and the rural poor alike appropriated sidewalks, streets, and public space to engage in commercial activity. Today, noncompliance with zoning and trade law is common. For instance, a United States Agency for International Development (USAID)-funded study of the electronics trade in Ciudad del Este finds illegality in the sector is the norm (Penner, 2006).

Differently positioned actors concur that Ciudad del Este is disorderly and unplanned, crowded and chaotic. As complex actors narrating the past through the needs of the present, current municipal officials often explained the urban disorder as past planning

failures or, as I discuss later, an inherent characteristic of the urbanizing poor. Others locate the failures of the planning apparatus in legacies of authoritarian political culture in which local governing elites pursue urban development paths from which they personally benefit. While the role of the current municipal administration is contentious, there is near-consensus that past local administrations failed to plan.

To study governance and planning practice on the frontier, I employ an in-depth case study methodology. I argue that frontier cities are not deviant economic and political spaces, but rather sites where the accentuated dynamics of circulation, exchange, deregulation, and “deal-making” are made plain (Pieterse, 2013: 33). As a site of ongoing experimentation in regulatory practice, Ciudad del Este is a strategic case where the systems of governance organizing the “unplanned” city and unruly economy are unusually visible. The aim is not “general, context-independent theory” but rather “concrete, context-dependent knowledge” of regulatory practices in spaces understood as unplanned (Flyvbjerg, 2006: 221). Inductive knowledge produced through in-depth case studies can be generalized through an iterative process in which empirical research and theory-building reciprocally inform each other.

I mix historical and critical ethnographic methods, taking the “everyday world as problematic,” that is, as the site through which relationships of power and enabling rationalities are produced (Smith, 1987). Planning theory increasingly recognizes the necessity of ethnographic research to understand everyday planning practice in divided cities (Healey, 2003: 111; Holston, 1998; Rankin, 2010). Through archival research, in-depth interviews, and participant observation, I analyze everyday practice of planning and the space-making practices of various urban actors, including street vendors and elite traders. I traced the history of city building and public space appropriations as records of charged conflicts over who benefits from border trade. Furthermore, I analyzed the discursive and material import of four projects to “formalize” urban space and the border trade.<sup>5</sup>

## Unplanned spaces in planning theory

I argue against the common imagination placing Ciudad del Este as outside the realm of planning. To do this, I follow a capacious definition of planning practice as the “public production of space” (Yiftachel and Huxley, 2000: 907).<sup>6</sup> The expansive approach is better positioned to theorize a range of governance practices less recognizable as planning, but which are nonetheless invested in producing city space via public actions. Adequately theorizing everyday practices of regulation and the production of space in cities conceptualized as “unplanned” or “ungoverned” remains a challenge for the discipline. In part, planning theory’s persistent difficulties derive from the inevitable link between a theory and its place of origin. Most planning theory emerged to theorize a small set of North Atlantic cities, yet such cities cannot be relied upon to yield universal theory. A growing number of scholars interrogate these geographies of intellectual labor which tend to push cities of the Global South “off the map,” or imagine them as sites of derivate social processes, useful only for producing supplementary empirical evidence (Mbembe, 2004; Robinson, 2006; Santos, 2007). Indeed, sites in the Global South are on the forefront of emergent global phenomena and are therefore crucial places from which to produce theory (Comaroff and Comaroff,

2011). Thus, seeing planning as the public production of space helps move the discipline toward a more clear understanding of planning practice in a broader diversity of cities, including cities built through processes often interpreted as “unplanned.”<sup>7</sup>

I identify three common theoretical perspectives variously theorizing unplanned spaces as lacking adequate markets, as the result of state incapacity, or as sites of hope. For different reasons, these approaches mis-theorize everyday planning practice in unruly places like Ciudad del Este. In contrast, critical urbanists more effectively analyze the modalities of regulation at work in self-built, informal settlements in urban peripheries. I contribute to this body of scholarship by bringing it beyond housing, demonstrating how similar governance practices produce urban space for economic practice. Furthermore, I highlight how city-stories can be a useful analytic in unruly zones where the explanatory power of traditional planning theory falls short.

The first, economic approach identifies urban unruliness with the lack of properly functioning markets. These theorists circumscribe the mandate of planning to “the procedure and justification of the regulation of the land market” (Lai, 2005: 7) and believe the “spontaneous order of the market” (Holcombe, 2013: 199) operating within appropriate institutional constraints will result in efficient land uses. Hernando de Soto famously applied this view to informal housing settlements in Latin America, arguing that overbearing, self-interested bureaucracies kept the urban poor from accessing the value of their informal property holdings, thereby stifling entrepreneurship and entrenching poverty (De Soto, 2000). staunchly positivist, this perspective holds that abstract economic modeling can produce universal theory, denying the normativity and locatedness of all theory-making. The economic perspective still holds sway in international development institutions, despite its lack of empirical validity (Bromley, 2009; Galiani and Schargrofsky, 2010; Gilbert, 2002, 2012; Kingwill et al., 2006).

The second approach identifies unplanned spaces with a lack of state capacity. International development agencies identify “insufficient institutional capacity” as a key driver of contemporary urban problems (Habitat, 2001: XXVI). Institutional capacity is polyvalent in the planning literature. Theorists of communicative rationality emphasize planning process controls, favorable discursive conditions, and appropriate institutional design so that planners can shepherd diverse groups of stakeholders toward consensus.<sup>8</sup> For Innes and Boher (1999), emancipatory knowledge produced through ideal-enough speech conditions “transcends the blinders created by our conditions and institutions” enabling actors to build “new,” “flexible and networked” institutions (pp. 418–419). Emphasizing small-scale, temporally and spatially bound actions of “experimentation, learning, change, and building shared meaning,” institutions figure as an elusive but necessary precondition for consensus-based planning (Innes and Boher, 1999: 412). Implicitly, the search for institutional preconditions can carry an assumption that the “aberrant” institutional forms found in the Global South must catch up to the more ideal Western versions, an “evolutionary view of institutions” (Hart, 2002: 817).<sup>9</sup> Thus, these theoretical commitments produce a predisposition to read rickety urban infrastructure or spatial unruliness as institutional lack, in lieu of close attention to the situated practice of diverse planning forms.

Patsy Healey’s theory of collaborative planning is more attentive to the social construction of institutions and the situated, inter-subjective meaning-making practices

reproducing specific institutional forms. Indeed, Healey (2003) critiques her earlier work drawing from new institutionalism as “partial,” as she has subsequently turned toward social theory more attentive to the mutual constitution of “context and episode” (p. 115). The sophistication of Healey’s analysis makes it particularly fruitful grounds for critique. Notably, there remains in Healey’s work an unacknowledged conflation of practices of governance with political techniques of standardization, calculation, and legibility. Healey (2003) cites James C. Scott, the preeminent scholar linking statecraft with technologies of legibility, noting, “the powerful always seek to simplify reality in order to mould it to their purposes” (p. 118), thereby implying governance practice necessarily seeks legibility, order, and calculability. Yet, planning and governance in Ciudad del Este proceed *through* ambiguous and contradictory legal regimes, *through* planning practices which produce spatial illegibility rather than legible simplifications of space and population, what I call regulation by ambiguity.

The third approach sees unplanned spaces as sites of hope. Influenced by anarchist ideals of self-government and voluntary cooperation (Hall, 1988), this approach identifies both the state and capitalism as promoting hierarchical relationships of domination (Newman, 2011). These radical planners cite autonomous zones as spaces of cooperative, egalitarian relations, be they Zapatistas-controlled areas of Southern Mexico or self-organized squatter settlements (Neuwirth, 2004; Vasudevan, 2014). However, this approach tends to proceed through a binary opposition between oppression and resistance, too often assuming resistance occupies a space outside of relationships of power.

Finally, emerging scholarship by critical urbanists reconceptualizes unruly urban spaces as productive of understudied modalities of regulation, very often ordered by practices and logics unfamiliar to observers and outside researchers. Most of this literature seeks to explain urbanization and informal settlements in the peri-urban fringes of major metropolises (Holston, 2008; Roy, 2002, 2009; Yiftachel, 2009a, 2009b). I extend this body of scholarship beyond the realm of housing, by examining how regulation by ambiguity enables frontier economic practice and an associated mode of city building. Furthermore, I also argue that the city-stories of the urban poor are a particularly useful diagnostic of power to turn on everyday practices of regulation organizing zones thought to be unplanned. In contrast to hegemonic projects that solidify power through rendering space and population legible and calculable (Mitchell, 2002; Scott, 1998), local state actors in Ciudad del Este govern through producing spatial and legal ambiguity. A historically specific form of rule, regulation by ambiguity is characterized by legal opacity and spatial illegibility. Legal opacity operates through the proliferation of contradictory regulations; sporadic, politicized enforcement of law; and substantial *de facto* bureaucratic discretion. Spatial illegibility works through a mismatch between official maps, land titles, and other state documents and the physical geographies they purport to represent.

Other critical urbanists have demonstrated how state authorities can gain maximum flexibility to extract value from land through territorial hedging, leaving land use classifications open, and contingently authorizing development based on the relative power of political alliances rather than adherence to the law or a master plan (Holston, 2008). State actors purposively produce “gray space” (Yiftachel, 2009b) or enact hegemony through “unceasing negotiability” (Roy, 2002: 18). Such practices contribute to the active production of “an uneven geography of spatial value,” shifting terrains of accumulation that state

actors both actively shape and benefit from (Roy, 2002: XX). Rather than seeing informality as a sphere of activity operating outside and against the state, it is theorized as territorialized practices of power. Beyond the capacity of the state to draw the boundaries between legitimate and illegitimate spatio-economic practice (Portes et al., 1989), the Paraguayan state instantiates its own authority through repeatedly performing its power to “arbitrarily decide” (Hetherington, 2014: 208). Theorizing with the concept of regulation by ambiguity reveals how state actors actively seek flexibility in managing urban development—flexibility which produces distinctive urban landscapes and political possibilities. The constricted lens of most mainstream planning theory overlooks how this complex milieu of legal uncertainty, spatial illegibility, and the arbitrary decision is part of public space-making actions, that is, urban planning practice.

### **Constructing city-stories: the disorderly poor, state absence, or disorder as statecraft**

City-stories of Ciudad del Este draw from, and yet also produce, ideas about urban development and belonging in the city. Furthermore, meaning-making practices also enable particular urban development trajectories, instantiated in specific spatial forms. As I will show, narratives of the unplanned city are one strategic resource that local state actors deploy to promote elite-led, exclusionary urban transformation. Yet the narratives themselves are terrains of contestations, and different social groups deploy contradictory city-stories to diagnose the spatial disorder that characterizes Ciudad del Este. To explicate urban unruliness, the first set of city-stories blames the cultural habits of the poor, while a second attributes spatial disorder to a lack of state capacity. I call the first set of city-stories “the disorderly poor” and the second set “state absence.” Despite constructing different culprits to blame for urban problems, advocates of both narratives share a common premise: that informality and illegality exist as spheres of action outside and opposed to the state. In contrast, a set of counter-narratives of the city deployed by precarious street vendors and activist groups challenge the conceptual splitting apart of state practice and illegality/informality. In doing so, this third set of city-stories, what I call disorder as statecraft, becomes a useful diagnostic of power to more clearly see the workings of regulation by ambiguity.

#### *City-stories I: the disorderly poor*

The first set of city-stories blames the poor for urban disorder, imagining poor rural migrants as culturally disposed to create spatial disorder and uncleanliness. Local state actors in Ciudad del Este spatialize these city-stories by ascribing progress and modernity as urban characteristics and imagining rural migrants as cultural vectors bringing unmodern habits from “the interior” (*el interior*) to urban centers. One municipal director described an internal contradiction of progress as this inevitable contamination of rural culture in urban settings:

Because when it all began with the first vending stalls ... 25 or 30 years ago, right ... there were just a few. And then ... who would have thought that it would have resulted in all this, right?



And then it grew like this, so quickly, and then suddenly it became uncontrollable, right, with the economic boom. *Progress brings advantages and it brings disadvantages, like disorder. People come here with another culture, from the countryside (el interior) ... Without the principals of education, it's like "right here I'm going to cook and throw all of my garbage," and there are all these social problems ... Because there isn't any guarantee, there isn't any control over these people.* (Personal communication, June 2013; emphasis added)

The director displays anxiety about street vendors' disorderly space-making habits, imagining poor migrants as an embodied spatial link between *el interior* and the city. Street vendors are thus coded as semi-rural, a social group I designate as "urban peasants," present in cities but hanging onto the disorderly habits of the countryside. Likewise, another municipal director identified street traders as the primary agents responsible for disorder. Referencing vendors, she says,

Who makes this disorder? They do. The city didn't grow because of them, there was no urbanistic relationship (*relación urbanística*) because of them. They carried on, taking over the city center. There isn't respect. There isn't education. Unfortunately Paraguayans take over things (*invadir*) that belong to others, like in [informal] settlements (*asentamientos*). (Personal communication, June 2013)

The bureaucrat discursively links street vendors and dispossessed rural squatters by referencing informal settlements (*asentamientos*) and using the language of "invasion," a common descriptor to disparage the land claims of the rural poor. These stories imagine the rural as an unmodern space, as part of the country's hard but noble past, now requiring rationalization for competition within the global economy. In this imaginary, the rural poor are marked as unmodern and their habits read as constitutively ill-suited for a 21st-century democracy (Hetherington, 2011). And so, as dispossessed migrants fleeing the slow collapse of the small-holder economy arrive in the city, they remain socially coded as rural, as urban peasants.

### *City-stories II: state absence*

The second set of city-stories—deployed by Paraguayan economists, local urban planners, and some street vendors—locates the source of urban disorder in a lack of state regulatory capacity. A municipal architect regretfully explained to me that the Department of Urban Development was limited to "isolated projects" (*proyectos puntuales*) due to a lack of local capacity. Like other municipal officials, the architect explained the lack of a master plan and inadequate public infrastructure as a result of insufficient national support for local plans. In these conversations, planners and municipal architects often told stories of state absence: in the 1960s, mayors carved roads through the red Paraguayan soil with their personal tractors; a municipal official aggressively confronted a director of the nearby mega-dam Itaipu for refusing to bankroll municipal projects to formalize the street market. For instance, a municipal official told me,

New ones [vendors] are always arriving. Because we don't have the capacity to have ten administrative enforcers (*fiscales*) on each street corner, we don't have the capacity to stop

them or prohibit [the occupations]. If we find new ones, we say to them: “leave” but often this doesn’t happen. There are so many more of them than us. (Personal communication, June 2013)

Likewise, when I shared a written description of my research with Obdulio, a vendor and long time organizer in the market, he vehemently disagreed with the framing of my project.<sup>10</sup> He said, “This should say that the state is absent! There is no real formalization! There are no technical urban plans!” (Personal communication, April 2013). Stories of corruption by local state officials also operate through this imaginary of state absence. In a series of exposé articles for the national newspaper ABC Color, the journalist Roque González described Ciudad del Este:

There is simply no control by the Paraguayan State over commerce taking place on the frontier ... The real crisis of this city is the loss of sovereignty by the Paraguayan state to mafia-like groups that control the streets and the ports. The presence of [state] institutions is a mere formality. (González Vera, 2013)

The journalist and the street vendor both capture important governance dynamics. When Roque González says that corruption “reigns supreme” (*es dueña y señora*), he gestures toward the complex relationships tying together illicit frontier business interests and representatives of the state. Obdulio’s critique, however, focuses on stilted mechanisms for redistribution, underscoring inadequate infrastructures of collectivity. Municipal officials engage the logic of lack as a means to instantiate distance between current spatial disorder in the *microcentro* and the current municipal administration’s governance responsibilities.

### *City-stories III: disorder as statecraft*

Urban planners and city officials use city-stories I and II as strategic resources to promote elite-led urban transformation, which I discuss in detail in the next section. I use the third set of city-stories, what I call “disorder as statecraft,” as a diagnostic of power. Contemporary local activists—leaders of opposition Colorado party factions, transparency activists, and some vendors’ advocates—highlight purposive action by local officials, intentionally producing spatial disorder in the street market to cover for illegal practices that imbricate state actors. The city-stories of disorder as statecraft are a means to see how governance and planning practice occurs through regulation by ambiguity, that is, through the cultivation of legal uncertainty, constant deal-making, and spatial illegibility.

Many city-stories of disorder as statecraft intersect with the contested spatio-juridical history of the 9 hectares (ha), a hotly contested piece of choice riverfront real estate. During frontier colonization in the late 1950s, the state expropriated the land needed for urban development from absentee land speculators and a yerba mate conglomerate, known for abusive labor practices and indentured servitude. Members of the newly formed Administrative Commission—appointed by General Alfredo Stroessner—gifted 7 ha to the general himself and another 2 ha to his close associate, the Minister of the Interior.<sup>11</sup> The land lay fallow for decades, as did similar land-gifts to other generals, serving primarily as repositories of future financial gains for favored military elites. Shortly after a breakaway faction of the Colorado party deposed Stroessner, street

vendors successfully pressured the national legislature to expropriate the 9 ha.<sup>12</sup> The social interest clause enabling the expropriation expressly stipulated that development benefit street vendors through relocation, as did an amplification of that law and several other local and regional government ordinances.<sup>13</sup> The speedy 2011 construction of a sleek shopping mall on part of the 9 ha, Shopping del Este, thus outraged some and surprised many. A litany of city-stories narrate competing versions of Shopping del Este's birth and the prior decades of intermediating conflicts: negotiations, occupations, bridge blockades, a supreme court case, a national investigative commission, and a failed construction deal.

One of the most active and controversial labor organizers, Raul, explained to me his analysis of the municipality's refusal to honor its promise to relocate street vendors to the 9 ha. Raul argued that municipal officials use street vendors as a "shield" to deflect attention from larger scale illegality running through elite-owned shopping galleries. He often told stories of his own battles confronting the municipality and of the betrayal of the largest vendors' association who traded tenure security for their members in exchange for withdrawing their claims on the 9 ha. Raul summarized,

Why don't they [the municipality] want security? You will see that they don't want there to be security, you will see why there is this bloody mess (*quilombo*), excuse my language. Social problems result from such an agglomeration of people [vendors], [but] when there is more disaster (*quilombo*), there is more profit. Why don't they want vendors to leave the micro-center [for the nine hectares]? Why don't they want this? Because we serve as a shield (*guardia*) for the big businessmen, we do. They do all their business; they work in drugs, in arms trafficking ... um, in falsification [of products]. We all know this. (Personal communication, September 2013)

The organizer identifies a *spatial* strategy of local state actors, the active cultivation of a "bloody mess" on the streets of the *microcentro*. Raul argues that the frenetic intensity of commercial exchange in a compressed area of the market conceals the illegal accumulation activities of large-scale importer-exporters, gallery owners, and frontier fortune hunters. Indeed, the micro-geography of the street is highly differentiated. The density of shoppers, vendors and makeshift trading infrastructure increases as one nears the International Friendship Bridge. Lines of honking cars, motorcycles, taxis, and vans creep toward the border crossing as hawkers weave between vehicles, offering DVDs, windshield wipers, selfie sticks, socks, soda, or Pringles. Parked vans and motorcycle taxis crowd the street, drivers unsmilingly soliciting riders. Moneychangers, vendors, and their colorful umbrellas or tarps occupy the central median and the sidewalks, spilling into the street. Small groups of young men, self-proclaimed tourist guides in bright vests and badges, offer shoppers help finding electronics or perfume. Other men stand watch over piles of cardboard boxes filled with commercial goods, waiting their night journey across the Paraná river from Paraguayan clandestine ports to sister reception points on the steep Brazilian banks.

Visitors often comment on a felt sense of frenzy, interpreting a chaotic spatiality as a sign the city and border trade defy regulation. However, the market instantiates its specific spatiality in and through state regulatory practice. Indeed, shopping mall construction on the 9 ha acts to corral shopping tourists within a thin strip of commercial space

abutting the Brazilian border. One local politician, a consummate storyteller affiliated with the opposition, told me stories of key frontier businessmen and the current mayoral leadership team strategizing to constrain commercial activity to the small zone of the *microcentro*. The politician recounted how the municipality hit businesses outside the *microcentro* with inspections and fines, driving out businesses in that zone. Furthermore, this alliance opposed road development in the 2000s to de-concentrate traffic, aiming to contain commercial flows to established shopping galleries along the central avenue. As a diagnostic of planning practice, city-stories of disorder as statecraft assess the compression of commercial activity within a subsection of the street market as an effect of the state, rather than as a sign of its absence.

## Materializing city-stories

In the previous section, I described the discursive construction of three different sets of city-stories, which differ in their analyses of the sources of urban disorder. In this section, I describe how the first two sets of city-stories—the disorderly poor and state absence—are mobilized by local state actors and urban planners in Ciudad del Este as a strategic resource to promote exclusionary, elite-led projects of urban transformation. The city-stories of the disorderly poor and state absence sponsor a particular brand of “formalization,” interventions that criminalize the spatial practices of the poor while celebrating the equally informal practices of economic elites. Furthermore, these city-stories produce the imagination of authorized urban belonging, which excludes the socially constructed category of urban peasants. These two processes intertwine, as city planners use the urban peasant narrative to justify selective evictions in the street market, evictions imagined to be necessary in order to transform Ciudad del Este into a modern, orderly commercial center.

## Dispossession

One municipal formalization project, called *las etapas* or the stages, purported to regularize the status of about half the city’s vendors, through a census, an official registry, and the payment of a symbolic “precarious use tax” to bring street vendors’ occupations of public space in alignment with the constitution. Official stories about *las etapas* celebrate Javier Zacarías Irun’s successful 2001 mayoral bid based on promises to bring order to the street market while also respecting street vendors’ claims. Once in office, Zacarías launched a staged roll-out of infrastructure upgrades and partial regularization of street vendors’ claims. A significant portion of street vendors expressed concerns about the fairness of the relocation process and opposed the plan. In contrast, municipal officials portrayed the controversial project as a successful example of formalization in which the municipality exercised its power to order urban space.

To convince me of the *etapas*’ success, municipal officials would often tell me stories of the disorderly poor, of uncontrollable occupations by destitute migrants, of a cultural disposition of urban peasants to resist following the rules, of three large commercial centers—spatial manifestations of lawlessness—built on the large median bisecting the main thoroughfare. The stories of municipal bureaucrats emphasize conquering the disorder of the urban poor through the rationalized extension of universal rules to regulate

the use of space, a narrative that aligns with dominant understandings of formalization. During a campaign to enforce ordinances regulating commerce in city streets, the Thirty-Day Plan, municipal officials stressed cleanliness and order as necessary preconditions to resuscitate the border trade.<sup>14</sup> By discursively linking street vendors with disorder and uncleanness, municipal officials justified selective dispossession, under the banner of formalization, dynamics that resonate with state practices elsewhere (Anjaria, 2006; Crossa, 2009; Swanson, 2007; Yatmo, 2008). Indeed, evicted vendors displaced by the plan rallied under the slogan, “we are not trash!”

However, my ethnographic empirics on the everyday practices of regulation challenge the official municipal discourse about its formalization plan. I observed vendors deploying a wide diversity of tactics to stabilize their claims to space: collectively mobilizing against eviction; safeguarding paperwork documenting payment of the precarious use tax, paying off municipal officials charged with enforcement, affiliating with one of the many vendors’ associations; cultivating political connections to municipal bureaucrats, or deploying a range of methods of “quiet encroachment” (Bayat, 1997). Into this ambiguous and contingent field of asserting and defending claims to space, urban actors deployed competing stories about the city and the source of its disorder.

By shadowing municipal officials during the Thirty-Day Plan, I found municipal officials selectively enforced zoning laws, evicting pockets of vendors while the infractions of others were overlooked. Furthermore, regularized status through payment of the precarious use tax did not prevent eviction. The criteria undergirding evictions were not public, and vendors throughout the market expressed uncertainty and fright about their own vulnerability. Municipal officials wielded considerable unchecked discretion to redraw the line between legitimate occupation and unauthorized encroacher, practices of urban governance I later was able to see as regulation by ambiguity. Indeed, the selective enforcement of law in a gray space of widespread noncompliance is a charged act of power.

### *Land deals and shopping malls*

Shopping del Este is the spatial form of elite desires for an aesthetically modern commercial hub-city. The shopping mall and other new construction on the 9 ha are cornerstones in a project of urban branding and city building, a bid to rehabilitate Ciudad del Este’s image. Municipal planners hope to revamp the city, catering to legitimate tourists, sometimes called “*touristas turistas*,” to contrast them to the much more numerous shopping tourists, *sacoleiros* and entrepreneurs who purchase consumer goods for resale in Brazilian cities.<sup>15</sup> Redevelopment proceeds through an official public–private partnership, *Plan Desarrollo*, and through unofficial but powerful alliances between municipal officials and Lebanese, Korean, and Chinese speculators. *Plan Desarrollo* aims to reposition Ciudad del Este in a field of inter-urban competition, promoting private sector financing for urban infrastructure upgrades and encouraging tourism while still maintaining the city’s competitiveness as a commercial center characterized by cheap prices on consumer goods. This is the city as “a milieu of experimentation,” “a field of intervention” for solving *elite* problems (Ong, 2011: 23, 3). In the case of Ciudad del Este, urban planners promote a spatial fix to the city’s image problems, while also enabling elites to retain their connections to illicit trading circuits by producing city space amenable to

these forms of accumulation. While the trading circuits themselves remain marked by moments of illegality and rule-breaking, the shopping mall—the signifying space of modern consumption—projects an aesthetic of orderliness.

Furthermore, many argue that Shopping del Este is as out-of-compliance as the precarious occupations of street vendors. Differently positioned actors advocate irreconcilable interpretations of the contentious spatio-juridical history of the 9 ha. The legal mandate enabling expropriation linked the social interest to relocating street vendors.<sup>16</sup> However, subsequent political and legal battles stymied efforts to build the proposed commercial infrastructure. After a stalemate of nearly two decades, the municipality devised a series of deals involving a disputed land title to a nearby property to avoid compliance with the social interest stipulation on the 9 ha. By bringing the dispute about the nearby land title in the court system *as if* its spatial coordinates overlay the 9 ha, the municipality generated a documentary trail in which the legal system recognized the re-ordered physical geography. Under the new cartography, the land underneath Shopping del Este doubled, one version of which was stripped of the social interest stipulation. What results is confusion between the boundaries of the 9 ha recognized by the legal system and the physical geography purportedly represented by state documentation. Calling foul, critics joke that Shopping del Este's property is "land with wheels" (*tierra con ruedas*). Yet this is a useful mismatch, producing spatial illegibility that can be folded into regulation by ambiguity as a practice of governance. Perhaps emboldened by the successful construction of Shopping del Este, municipal officials cut three more land deals on land unambiguously within the boundaries of the 9 ha, selling and leasing off municipally held lands at fire sale prices.

The legality of these land deals is highly contentious. In this article, I do not claim to definitively adjudicate the legality or illegality of current development on the 9 ha, as this binary does not illuminate the complexity of deal-making practices in Ciudad del Este. Rather, I underscore that both elite-led urbanization and street vendors' occupations occur through activities of ambiguous legal status. The successful materialization of elite-led development on the 9 ha occurs *through* municipal actors actively producing spatial illegibility.

Municipal officials and *Plan Desarrollo* promoters also use city-stories of the disorderly poor and of state absence to promote this exclusionary urban development trajectory. Municipal storytelling twines stories of past state absence with imaginaries of a clean, modern, competitive future city. Yet, municipal talk of state absence belies their active role in promoting a particular urban future. The original authoritative state-act of expropriation released the 9 ha from private ownership into the circuits of urban development. Furthermore, the municipality actively stewards public-private partnerships and informal alliances to build shopping malls on the 9 ha. Thus, the current urban development trajectory uses state-owned land and the authority of the state to promote exclusionary urbanization that maintains the illicit border trade while concentrating the profits among elites.

### ***Bounding urban belonging***

Through claiming city space to connect to the border trade, poor Paraguayans stake claims to the material basis necessary to make meaningful the rights of urban belonging.

In social processes of staking claims, internal differentiations within street vendors matter a great deal. As we have seen, the means of differentiating legitimate vendors from encroachers is contested and only partially mediated by the municipal process of regularization. The stories locating disorder as emanating from the cultural habits of the poor contribute to stabilizing a hierarchy of urban belonging. By associating some street vendors with the perceived traits of the rural poor, the social category of the urban peasant contributes to excluding the most precarious vendors from the dominant imaginary of who belongs in the city.

When I began field research in 2011, the material wealth of some vendors surprised me. My first informants bought land, built homes, and financed private school educations for their children through their earnings as street vendors. Soon, I learned these established vendors constituted an intermediate category: the newly respectable middle-class street vendor. A high-ranking municipal director explained how these vendors earned respectability through education and property ownership, thereby leaving behind their status as urban peasants. The municipal director explained to me, “These people have been educated, they own a house now and live with dignity. For these reasons they are respected” (Personal communication, June 2013). This quote illustrates how municipal officials use the criteria of respectability in their political calculus allocating authorization for some vendors’ claims to street space.

In explaining respectability as a criterion for authorizing some vendors’ claims, the director referenced “acquired rights,” an extra-legal category of claims-making unrecognized within the legal framework. Both marginalized street vendors and municipal officials use acquired rights to explain how to differentiate between *los verdaderos mesiteros*, the “legitimate vendors” and encroachers. However, there is disagreement over the material content of acquired rights. Through stories of hardship, sacrifice, and struggle, vendors underscore the embodied vulnerabilities of the poor and the dignity of working to sustain the family. Through these stories, vendors stake a claim to the city space needed to earn their “daily bread” (*el pan de cada día*). In contrast, the criteria of respectability espoused by the municipal official locate rights to city space in the attainment of the outward signs of upward social mobility, lending legitimation to those vendors able to cast off the stigma of the urban peasant. Respectability, the municipal director says, is earned through time, the vector of modernization, and the medium through which migrants cast off the bonds of their disorderly, rural spatial habits. Municipal validation of acquired rights—as a contingently recognized category of claims—underscores how maintaining authorization for occupations runs through process of negotiability and indeterminacy, that is, through regulation by ambiguity.

The boundaries of urban belonging are liable to shift along with unstable urban development plans and political alliances which often undergo reconfiguration. The current model of formalization is selective inclusion and aesthetic standardization, as municipal planners aim to cultivate a modern, ordered spatial aesthetics in the street market to call into being a future, tourism-oriented city. During the 2013 inauguration of *Plan Desarrollo*, the mayor Sandra McLeod de Zacarías spoke of street vending as part of the city’s “proud folklore,” emphasizing the very identity of Ciudad del Este is made through the distinctive presence of street vendors. McLeod described street vendors as a potential tourist attraction, as an embodied link to Paraguay’s cultural history. Associating vendors with folklore

marks them as a relic, only contingently useful to projects of urban development. There is room for certain kinds of vendors, the mayor suggests, vendors who bolster instead of challenge the vision of Ciudad del Este as a tourist destination. The municipal formalization projects were concerned with aesthetic order, rather than regularizing the livelihood strategies of the poor or aligning the occupations of street vendors with the law.

## **City-stories as a diagnostic of power: seeing regulation by ambiguity**

In the previous section, I argued that municipal officials and planners use two sets of city-stories—the disorderly poor and state absence—as a strategic resource to promote elite-led urban transformation. In this section, I argue that city-stories of disorder as statecraft can be a useful diagnostic of power to better understand how regulation by ambiguity works in Ciudad del Este. Like other city-stories, disorder as statecraft is a form of situated and partial knowledge, necessarily produced from a “complex, contradictory, structuring, and structured body” (Haraway, 1988: 589). I hold that the partial perspective promoted by disorder as statecraft is a useful explanatory frame through which to understand everyday practices of rule and regulation in Ciudad del Este. I elevate this set of city-stories to the level of analytic not because the oppressed have unproblematic access to the truth of things. Rather, our projects of producing “better accounts of the world” are unavoidably political, enabling some forms of political action and foreclosing others (Haraway, 1988: 590). My interlocutors use disorder as statecraft as a means of analyzing forms of rule while simultaneously deploying these city-stories as part of a political project to transform relationships of power and economic practice on the border. Here, I appropriate and extend their critiques, arguing that city-stories of disorder as statecraft open up important lines of seeing and thinking about urban governance practice. First, I discuss how city-stories of disorder as statecraft help bring into focus important practices of governance: the contingency of legality, the intertwined processes of formalization with dispossession, and the production of spatial illegibility. I conclude by discussing a mismatch between the political projects of frontier activists with my own assessment of the limits of disorder as statecraft as a diagnostic of power.

### *The contingency of legality*

I interviewed Mauricio, the President of a vendors’ association known for supporting the municipal plan to “clean up” city streets. I questioned him about the abrupt, unexplained evictions of officially formalized vendors and he explained the constitutive temporariness of all vendors’ claims. Mauricio said, “While they [the municipality] do accept tax payment, you are legal, but when he doesn’t accept payment the next month, then you are *immediately illegal*” (Personal communication, July 2013; emphasis added). As expressed by Mauricio, legality is produced via municipal discretion. Even with the proper documentation of regularized status, Mauricio says, municipal officials can unilaterally decide to stop accepting payment of the precarious use tax, a move which then produces the vendor as “immediately illegal.” This practical contingency of legality is one feature of regulation by ambiguity.



I initially saw these evictions as events occurring *in spite of* the partial formalization process underway in Ciudad del Este. However, I now argue that dispossession runs *through* processes of formalization, what I call here dispossession by formalization. The street market in Ciudad del Este is characterized by multiple competing interpretations of vendor claims, each ambiguously backed by law. My ethnographic account of planning and bureaucratic practice demonstrates that legality and formality are not about regulatory adherence, but rather the capacity to stabilize one interpretation or set of claims against competing claims. Legality and formality, then, are best thought of as a temporarily stabilized status negotiated through situated and contested social relations. In short, the municipality actively maintains vendor claims as contingent, always requiring ongoing defense, a condition Oren Yiftachel (2009a) calls “permanent temporariness” (p. 244).

The ambiguous, permanently temporary status of street vendors is often read as signaling an incomplete or incompetent planning process. In contrast, I argue it is the directed management of urban space to forge political dependencies between street vendors and elected municipal regimes. By maintaining vendors’ claims as tenuous, municipal actors generate political support through extending, or threatening to revoke, provisional authorization to street space. The perpetual contingency of claims renders vendors dependent on fickle municipal recognition. Some vendors temporarily stabilize their claims by enrolling in clientelistic relationships. This flexibility is a Janus-faced political resource, simultaneously offering vendors a means to make claims and municipal officials justifications for evictions.<sup>17</sup> The frame of incompetent planning obscures the governance possibilities opened up through processes of ambiguity, uncertainty, and contingent enforcement.

Street vendors expressly recognized the contingency of legality. In a charged environment of uncertainty, anger, and distrust during the Thirty-Day Plan, a crowd of vendors chanting “*Mondaha! Mondaha!*”—Guaraní for thieves—ran municipal functionaries out of the market under police escort. In one register, the shouts of *mondaha* can be read as outrage at rumors that municipal employees illegally confiscated merchandise from vendors, later reselling the goods. Yet, in another, vendors did more than voice suspicions of individual acts of municipal corruption. In resignifying theft as a commonplace practice of state actors, these vendors redrew the boundaries of the illegal such that it included “state spaces” (Brenner et al., 2008: 1). And so, disorder as statecraft city-stories helps expose legality and formality as contingent attributes, never more than temporarily stabilized in ongoing contestations over the boundaries of the legal and the formal themselves.

### *Spatial illegibility*

City-stories of disorder as statecraft highlight the cultivation of spatial illegibility and disorder as a strategy of planning and governance. Making sense of the legal status of the 9 ha required navigating mutually exclusive interpretations to its spatio-juridical history. One conversation with Raul helped clarify both the legal battles over the 9 ha and the lived experience of negotiating with municipal power-brokers who govern through regulation by ambiguity. Sitting at a grocery store cafeteria table in the heart of the city, Raul inveighed against the legal maneuvers and shady land deals underwriting the construction of Shopping del Este. Furthermore, Raul told of a suspicious intermediary involved in a

court case disputing the boundaries of the 9 ha. The claimant, a cleaning lady (*lpiadora*) of modest means, produced documentation stating ownership of Kubitschek's property, another parcel of frontier land gifted from Alfredo Stroessner to Juscelino Kubitschek de Oliveira, the authoritarian ex-president of Brazil (1956–1961). In the *lpiadora's* documents Kubitschek's land, surprisingly, overlay the 9 ha. The courts found in favor of the *lpiadora*. The Municipality, as the steward of the land parcel after the expropriation, did not present a defense against the shrinking boundaries of the 9 ha. Raul joked that a "violent storm" (*tormenta violenta*) picked up Kubitschek's land, dropping it on top of the 9 ha. "Only in Paraguay are there storms as strong as this!" he exclaimed.

Raul's storm can be interpreted as commentary of municipal corruption in the transition to democracy. The judge adjudicating the case has been criticized as being part of the ex-Mayor Zacarias' "team" (*equipo*), more invested in advancing the *equipo's* agenda than impartially applying the law equally to all.<sup>18</sup> In contrast, municipal officials publicly denounced Raul and his associates as "agitators" (*agitadores*) making desperate and unlawful claims on municipal lands and private property. In another register, equating municipal strategies of governing with a storm sheds light on the lived experience of being governed by regulation by ambiguity. The municipal *tormenta* is a violent, unpredictable, external force, capable of wreaking havoc on urban space. The storm creates spatial disorder and illegibility. Competing claims on the 9 ha can be adjudicated and temporarily stabilized, but they cannot be clarified or definitely untangled. The relationship between land documents and the physical geographies they purport to represent is indeterminate, yet the indeterminacy is itself productive of specific regimes of governing. By using city-stories of statecraft as an analytic of power, I was able to see how municipal actors actively produce spatial illegibility as a strategy of governance.

Disorder as statecraft narratives brings illegality and informality inside the bounds of the state, thereby disabling the unhelpful binaries through which these practices are often understood. City-stories of disorder as statecraft highlight the productive confusion over the boundaries of the legal and the formal. Through this lens, the grounded practices of law and governance are not the result of a consensual social contract rooted in the rule of law, norms which are violated through individual acts of corruption. Rather, legality is an attained and temporarily fixed status, representing the capacity to stabilize one interpretation or set of claims against competing claims. Furthermore, city-stories of disorder as statecraft help bring into focus the production of spatial illegibility as a municipal strategy to promote an exclusionary urban development trajectory. By taking seriously city-stories describing disorder as statecraft, I was better able to decipher the repertoire of governance practices that fall out of view through the lenses of most planning theory.

### *The limits of disorder as statecraft as a diagnostic of power*

In addition to clarifying regulation by ambiguity as a technology of governing, disorder as statecraft captures the felt sense of frustration generated by widespread impunity for politicians and politically connected elites suspected of benefiting from illegal networks. Alongside disorder as statecraft city-stories, I often heard the term "*esquema*," invoked to describe networks of actors profiting from contraband, questionable land deals, bribes, or kickbacks. The term *esquema*—roughly translating as schemes—evokes complex,

durable, relational networks of actors wielding considerable power and operating with impunity. Crucially, *esquemas* are made in and through state spaces, enabled and encouraged by state actors. Indeed, the Stroessner regime worked through *esquemas*, divvying up the patrimony of the state among an elite clique of supporters, deploying law to define itself as outside the law.<sup>19</sup> Two and a half decades into the long process of democratization, old practices of the unaccountable exercise of power articulate through new projects of formalization and city building. The language of *esquema* and city-stories of disorder as statecraft highlight the contingency of legality and the necessary role for state actors in the making of outlaw economies and its associated urban forms. However, as critics translate their analysis of *esquemas* into campaign messaging challenging the 15-year electoral reign of Javier Zacarías and his wife, Sandra McLeod de Zacarías, there is a tendency to reify power as an unassailable capacity held by a small number of conspiratorial actors. Thus, it is here that my own analysis departs from that of my interlocutors. The implicit theory of power animating condemnations of *esquemas* overlooks the productive capacities of power, including how city-stories act on imaginations of urban belonging and produce particular subjectivities, two social forces imbricated in the production of space. Furthermore, the frame of durable *esquemas* makes it difficult to imagine the means of organizing alternate urban futures. The challenge then is a familiar one: how to draw attention to grounded practices of power, without reifying them as unassailable.

## Conclusion

In this article, I have demonstrated the insufficiency of three common frames turned on “unplanned spaces” within planning theory: as lacking adequate markets, as the result of state incapacity, or as sites of hope. Extending the research of critical urbanists who uncover the modes of regulation at work in “unplanned spaces,” I connect the economic and spatial realms through the analytic of regulation by ambiguity, demonstrating how local state actors produce legal uncertainty and spatial illegibility as a technology of governing. Furthermore, I also argue that the city-stories of the urban poor are a particularly useful diagnostic of power to turn on everyday practices of regulation organizing zones thought to be unplanned. City-stories of the unplanned city tap into, yet also produce, ideas about urban belonging and development. Municipal officials deploy city-stories to produce urban space: justifying evictions, enabling the informality of elites, and, ultimately, promoting an exclusionary development trajectory. Furthermore, city-stories produce situated subjectivities. Narratives of the disorderly poor collude with other social forces to discursively produce the urban poor as interlopers in urban space. City-stories of state absence also direct attention away from arenas in which local state actors are eminently capable. Rather than seeing how the city acts as a platform for various “worlding” strategies (Roy and Ong, 2012; Simone, 2001) productive of contemporary globalizing dynamics, the city is reduced to an object requiring developmentalist intervention.

However, narratives of the city are also a terrain of contestation. City-stories of disorder as statecraft help bring into focus the ways that local state actors create spatial disorder and legal uncertainty as a mode of governance. Through these stories, we are better able to see how Ciudad del Este is a globalized hub in spatially extensive geographies of illicit

trade, a relay in South–South circuits of capital, and a site for experimentation to solve elite problems. And so, city-stories of disorder as statecraft are useful diagnostics of actually existing governance practice. They reveal informality and extra-legality as elite city-making and accumulation strategies. Furthermore, disorder as statecraft underscores how such elite practices are coordinated through a complex of socio-spatial relations with state actors. Finally, disorder as statecraft refocuses analytic attention away from ill-suited received binaries which cordon off state spaces from illegality and informality.

Finally, I argue for more ethnographies of everyday planning practice, especially from those cities currently imagined as peripheral in contemporary geographies of intellectual labor. Contemporary social challenges—from climate change to millennial poverty—intensify the urgency of understanding grounded planning practice in a diverse range of urban environments. City-stories are a means to better understand everyday practices of regulation and can therefore help planning theory more adequately theorize how a broad diversity of cities are rendered governable, including those that tend to fall out of theoretical view.

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### Notes

1. Low prices, a porous border, and expanding networks of globalized commodity chains sourced in East Asia enable the border economy. Small-scale Brazilian traders are also known as *sacoleiros*, derived from the Portuguese word for bag, connoting the manual labor of carrying commercial goods across the border. Ciudad del Este is thus a land-locked city, its economy based on circulating cheap commodities to a growing Brazilian middle class.
2. The phrase “illicit trade” is not an accurate descriptor; it is shorthand for a border trade that defies easy categorization.
3. Stories are a particular form of social discourse and a longstanding anthropological object of analysis, along with other narrative forms like myth or gossip. Here, I deploy the concept of city-stories as a heuristic device to analyze discursive meaning-making practices of different social groups in Ciudad del Este. Due to space constraints, I present some of my narrative evidence in a distilled form of trope or argument, in which the distinctive features of story—the emotional register, temporal sequencing of events, conflict, and subsequent resolution—are stripped away. I use the concept of city-story because most tropes I discuss here arrived to me in the form of stories. In addition, I believe the city-story concept can encourage planners and planning theorists to more seriously engage with the co-constitution of urban space and social discourse. Thus, I argue the persuasive capacity of the concept compensates for any analytic imprecision.
4. A 2012 parliamentary coup ousted Fernando Lugo, Paraguay's only modern leftist president. Using the trappings of the legal impeachment process, congressional opposition removed the ex-priest in less than 72 hours to widespread regional condemnation (Marsteintredet et al., 2013; Setrini, 2012).
5. These projects were as follows: (1) a municipal plan to partially regularize street vendors, extending tenuous use-rights and infrastructure upgrades to select vendors; (2) a 2013

municipal project to “order and clean up” city streets allowing for observation of the regulatory relations between traders and local officials; (3) an elite-led project promoting formalization through the near-elimination of taxes and tariffs on the electronics trade; (4) an bi-national effort to register traders and importer/exporters selling goods from a list negotiated with Brazil. I conducted participant observation with street vendors, shadowed municipal officials during a campaign to “clean up” the street market, observed regulatory encounters between state actors and street vendors, participated in semi-public planning meetings, and conducted 70 open-ended interviews with street vendors, municipal officials, national policy makers, and frontier businessmen.

6. This definition resonates with Watson’s (2002) description of planning as “intentional public actions which impact the built and natural environment, and which are frequently accompanied by political processes of some kind” (p. 28).
7. The capacious definition of planning as the public production of space is useful for studying processes in the global north and global south, as logics of uncertainty, opacity, and informality are present across the global north/south divide (Devlin, 2011; Ward, 2010).
8. An expansive body of literature critiques communicative planning as overlooking the mutually reinforcing relationship between power and knowledge, reinscribing inequalities in sites where institutions do not follow liberal logics, and overlooking how relationships of power condition communication and circumscribe agenda setting (Flyvbjerg, 1998; Flyvbjerg and Richardson, 2002; Hillier, 2003; Purcell, 2009; Watson, 2013; Yiftachel, 2006).
9. Hart identifies Granovetter as the lead thinker promoting an evolutionary view of institutions, which overlooks the relational connections of institutions across space and through relationships of colonialism, imperialism, and uneven capitalist development (Hart, 2002). Innes and Booher follow Ostrom (1990), who relies on similar assumptions of institutions as discrete, spatially disconnected entities, traveling alone along an evolutionary path toward perfection or failure.
10. The names of all informants are pseudonyms.
11. In recounting these land-gifts, my informants would use the word *obsequiar*, to present a gift as a token of appreciation or recognition.
12. Law 12/90 expropriated two land fractions, lot no. 2925, registered to Señor Alfredo Stroessner Matiauda, and lot No .46; 2771, registered to Señor Mario Abdo Benítez.
13. Under the 1992 Paraguayan constitution, expropriations are only allowable in cases of a “public utility or social interest” as specified by law or large *latifundia* estates destined for land reform.
14. The Thirty-Day Plan, conducted in June of 2013, made plain the logic of municipal formalization, as regulatory encounters that were normally not visible to me occurred on the street.
15. Small-scale Brazilian traders who buy goods for resale are known as *sacoleiros*, derived from the Portuguese word for bag, connoting the manual labor of carrying commercial goods across the border.
16. The original expropriation, authorized by law 12/90, expropriated the 9ha in the name of the social interest. Subsequent battles over the practical content of “social interest,” led to an amplification of the law, 533/95, the third article of which specified relocating street vendors as the main objective. The municipal administration and the city council passed resolutions to similar effects. Subsequently, the municipality challenged the constitutionality of the third article of law 533/95, alleging the requirement to develop the totality of the 9ha for street vendor relocation contravened constitutionally provided “municipal autonomy” in matters of urban development. In response, street vendors organized mass protests and occupied the 9ha. The national legislature called a special commission to mediate the dispute, which yielded a signed agreement between the mayor, Javier Zacarías Irun, and some, but not all, vendors’

- associations. The agreement (*el acuerdo*) stipulated that the municipality would relocate most vendors to the 9 ha in a shopping mall which would also cater to higher end retailers.
17. In a similar vein, the sporadic community aid programs organized by Ciudad del Este's municipal administration in the poor neighborhoods on the peri-urban fringe are "solidarity without obligation ... forms of obligation recognized by the municipal government [that] never quite become entitlements" (Schuster, 2012: 128).
  18. The Paraguayan court system is widely perceived as politicized and corrupt. A United States Agency for International Development (USAID)-funded report suggests there is a consensus that the courts are "the most corrupt element of the key anti-corruption entities" (Cohen, 2004).
  19. The Stroessner regime ruled under a near permanent *estado de sitio*, "state of emergency," in which the powers of the state to grant itself exceptional authorities were deployed as the norm. The *estado de sitio* was ritually lifted for sham elections every 5 years.

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