

# Chapter 19

## Integrated Municipal Markets in Central America: A Model of Cooperation for Local Development From Honduras

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### ABSTRACT

*By its very nature, the characteristics of the informal economy are largely negative, since it can hold people and companies into a spiral of low productivity and poverty. A coherent national strategy to facilitate the transition to the formality has to recognize that the costs of informality of work are high for companies, workers, and the community. From the point of view of workers without protection, the negative aspects of work in the informal economy outweigh the positive aspects. Workers are not recognized, registered, regulated, or protected under labor and social protection legislation and, therefore, cannot enjoy their fundamental rights, exercise, or defend them. As they are usually not organized, collective representation before employers or public authorities is insufficient or non-existent. This chapter explains the informal economy in Honduras and Latin America, the problems of municipal markets, and its transition into the formal economy through the plan of cooperation for local development between the various participants in the country.*

### INTRODUCTION

The emergence of large trade and the subsequent birth of capitalism and the subsequent consequences of dynamic triggered in an informal economic system that refers to a set of economic activities developed

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that, both in law and in practice, are insufficiently covered by formal systems or not. They are not at all. From an economic point of view, “the informal sector can be characterized as modern, or non-capitalist sector of the economy, where the use of capital is relatively low, in small-scale economic activities predominate. In addition, features such as: use of rudimentary technology, little capital available, without access to finance, low skilled labor, low level of productive organization, low pay, little or no distinction between capital and labor, the family estate, without the GDP accounting.

“The informal economy in Latin America: the case of Honduras in accordance, the concept of the informal economy” refers to all economic activities by workers and economic units, both in law and in practice, are insufficiently covered by formal systems or in any way. The activities of these people and companies are not covered by the law, which means that they work off it; or they are not covered in practice, that is, although they operate within the law, it does not apply or is not respected; or the law itself does not encourage compliance because it is inappropriate, heavy or imposes excessive costs.

## **OBJECTIVES**

By their very nature, the characteristics of the informal economy are largely negative, since they can hold people and companies into a spiral of low productivity and poverty. A coherent national strategy to facilitate the transition to the formality has to recognize that the costs of informality of work are high for companies, workers and the community. From the point of view of workers without protection, the negative aspects of work in the informal economy outweigh the positive aspects.

Workers are not recognized, registered, regulated or protected under labor and social protection legislation and, therefore, cannot enjoy their fundamental rights, exercise or defend them. As they are usually not organized, collective representation before employers or public authorities is insufficient or non-existent.

This document explains the informal economy in Honduras and Latin America, the problems of municipal markets and, their transition into the formal economy, through the plan of cooperation for local development between the various participants in the country.

## **Methodology of Approach**

This is a descriptive and analytic approach of case study of the informal economy in Latin America and Honduras looking for cultural or scientific contributions that exist on this subject from the existing reality. The survey was structured based on the systemic approach to the understanding of the problems of post modernity, seeking practical, operational or troubleshooting application of “people’s real life” and the organizations of Honduras and Latin America.

## **THEORETICAL FRAMEWORK**

Different manifestations of social economy, cooperatives, companies, foundations, nonprofit organizations and the third sector; predictable collaborate in projects of development cooperation at international level with the presentation of innovative actions; and, for many, it is known that cooperation between

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