

***Off the Books: The Underground Economy of the  
Urban Poor***

**Sudhir Alladi Venkatesh  
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Massachusetts: 2006)**

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**Brief Summary**

In *Off the Books*, Sudhir Alladi Venkatesh explores the underground economy of a poor, almost exclusively African-American neighborhood in Southside Chicago that he refers to as “Maquis Park.” Venkatesh focuses on the structural workings of this economy, discussing how it is organized and the roles of home-workers, entrepreneurs, hustlers, preachers, and gangs, as well as on the struggles of people who occupy these categories and navigate the “shady economy.” This survey of diverse community members—whose income, social status, and employment vary widely—reveals how pervasive the underground economy is in poor areas and how it functions to address the various problems that result from systemic discrimination, chronic underemployment in the formal economy, lack of social services, and isolation from the rest of the city.

**Facts and Findings**

The theme running throughout *Off the Books* is that everyone in Maquis Park participates in the underground economy to some extent. Several factors contribute to this somewhat surprising conclusion. First, Maquis Park, like so many other urban ghettos, has a very high rate of unemployment. By 1990, only 37 percent of the population in Maquis Park was formally employed (242). Second, even for those who managed to find steady work, wages declined from 1970 to 1989 (242). Third, since the 1970’s and 1980’s, increasing numbers of young men, (particularly young black men) have been incarcerated; needless to say, this limits their ability to find productive work in the formal economy. The coalescing of these factors in Maquis Park and similarly situated neighborhoods throughout the United States causes people to meet their needs by doing odd jobs, working off the books, and, for some, engaging

in illicit activities like the drug and weapons trades, prostitution, theft, and extortion.

Venkatesh is quick to point out that the underground economy includes both licit and illicit activities (by licit he means activities that would be legal if they were reported or licensed) (8-9). For many, their participation in this system is limited to licit activities: employing someone part-time and paying them under the table, buying homespun clothes, or procuring food from someone whose services are informal and unreported. These economic transactions touch everyone who lives and works in and around Maquis Park, from pimps and drug peddlers to preachers and policemen.

Illicit activity, however, is also pervasive in Maquis Park. Drug dealers may occupy the local park, making it difficult for children to play there, or sex workers may ply their trade in an alley adjacent to one's home. Confronting these situations is inescapable, and dealing with the consequences that flow from them occupies a great deal of time and energy on the part of community.

However, much of the everyday contact with the underground economy straddles the line between licit and illicit, morally justifiable and morally reprehensible. Preachers may take donations from gang members and use those funds to put on programs for children (an issue of great concern to the community in Maquis Park, and one Venkatesh addresses at length in Chapter 5, pp. 214-277). Police officers may pay a retainer to hustlers, ensuring that when a crime occurs they have people willing to talk to them. Consumers may buy their goods from a store that launders money for the local gang. Many transactions such as these exist in a moral gray area and present problems, especially for community leaders and preachers, whose authority is predicated on a certain sense of propriety and morality.

People in Maquis Park tend to tolerate the licit (and much of the illicit) activity that takes place in the underground economy. There is a general recognition that it is difficult to make ends meet in the neighborhood, and that people do what they must to put food on the table. Part of this also results from the fact that so many in Maquis Park who do work in the formal economy are forced to supplement their income with work off the books (see, e.g., 23). There is, of course, a limit to what people will tolerate, and what is acceptable differs from person to person. In some instances, the police are more tolerant of underground activity than are the residents. This is particularly true as it pertains to hustlers—periodically homeless “laboring nomads” who are ubiquitous in the underground economy (168-9). Many police officers respect the hard work and persistence it takes to survive as a hustler, working every day in uncertain conditions, often without a roof over one's head. Additionally, police often benefit from information hustlers can provide to them. Community members, however, often focus on the poor hygiene of

hustlers and their occupation of public space, and see that category of people as a public nuisance.

## **Recommendations and Implications**

*Off the Books* has important practical and scholarly implications. First, Venkatesh's work raises important questions about the police presence in impoverished, under-served urban areas. Second, it upsets common conceptions of what it means to be poor and ghettoized. Third, it examines problems that touch on legal anthropology: do alternative systems of social control count as law, and how do we confront them?

Throughout the book, Venkatesh recounts some police activities that seem questionable. In Chapter 4, he discusses police involvement with hustlers, particularly their willingness to pay these folks for inside information. He also notes more commonplace and benign ways police participate in the underground economy of Maquis Park, such as their willingness to get cars serviced by mechanics operating in alleyways, and the purchase of food from residents who use at-home food preparation as a way to supplement their income. Thus, the *content* of Venkatesh's work (as opposed to its argument) raises serious questions. Whether these actions are nefarious, benign, or somewhere in the middle, one wonders if it is appropriate for police to be engaging the neighborhood in this way. While it might help improve relations between officers and residents, should public funds be used for such things as the professional benefit of unlicensed mechanics? Also, is there a likelihood that police participation in the licit underground economy will lead to involvement in illicit activities?

*Off the Books* also conveys important information about people who appear – at first glance -- to be poor, unemployable, and unable to contribute to society. The truth of the matter, as Venkatesh points out, is that the homeless often serve as police informants, an inexpensive security force, or regulators of the underground economy. In short, many highly marginalized people manage to do real, substantial, important work. Similarly, people who may be on some sort of public assistance or who are unemployed spend their days seeking out work, making money on their own, and overcoming the challenges of social isolation and insufficient social services. In elucidating these points with real examples, Venkatesh helps to change public perceptions of urban poverty and the people who inhabit neglected neighborhoods.

Additionally, this work is interesting from the perspective of legal anthropology. Maquis Park is dominated by informal power structures, social mores that differ substantially from those of the suburbs or gentrified urban areas, and an arcane set of rules regulating an underground economy. The question is whether these rules constitute a body of law. Certainly, the rules of life in this neighborhood are clear, as are the consequences for ignoring them. Much of the justice that is

administered in Maquis Park is completely outside the purview of either the State of Illinois or the federal government. What, then, is the appropriate role for these formal sovereigns, and—returning to the issue of police involvement—to what extent should they acknowledge local rules of conduct?

### **Analysis / Critique**

*Off the Books* is an important book for scholars, community activists, and other parties interested in questions of poverty, social justice, and law. Venkatesh writes with ease and addresses the historical, political, economic, and personal aspects of urban poverty.

Perhaps the only aspect of this book with which he struggles is his ability to divorce himself from his subject. While this work is largely anthropological and requires participation, the cultivation of relationships, and trust, the author's involvement with Maquis Park may limit his ability to see situations objectively. There is a tone of passive acceptance when he discusses illicit activity that differs little from his treatment of licit underground activity.

And yet Venkatesh does acknowledge a variety of views within the neighborhood. He interviews police officers and pastors of wealthy congregations as well as the prostitutes, hustlers, and storefront preachers who populate Maquis Park. In the end, his familiarity with the area, the relationships he develops with its people, and his ability to convey a sense of vitality and humanity to a long forgotten neighborhood more than make up for any loss of scholarly objectivity.