



**Women in Informal Employment
Globalizing and Organizing**

WIEGO Working Paper N° 37

March 2018

Informal Workers & The Future of Work: A Defence of Work-Related Social Protection

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WIEGO Working Papers

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Publication date: March, 2018

ISBN number: 978-92-95106-51-2

Please cite this publication as: Alfers, Laura, Francie Lund and Rachel Moussié. 2018. *Informal Workers & The Future of Work: A Defence of Work-Related Social Protection*. WIEGO Working Paper No. 37. Manchester, UK: WIEGO.

Series editor: Caroline Skinner

Copy editor: Leslie Vryenhoek

Layout: Julian Luckham of Luckham Creative

Cover photographer: Julian Luckham

Published by Women in Informal Employment: Globalizing and Organizing (WIEGO)

A Charitable Company Limited by Guarantee – Company No. 6273538, Registered Charity No. 1143510

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Abstract

This paper responds to current debates on the future of social protections at a time when the employment relationships on which many social protections have traditionally been based are increasingly non-existent, blurred or hidden. It has been suggested that the delinking of social protection from employment should be seen as a progressive policy response, as opposed to the productivist approach, which has traditionally provided one of the key conceptual links between employment and social policy. Drawing on the work of the Social Protection Programme within Women in Informal Employment: Globalizing & Organizing (WIEGO), this paper argues that the presence of a large and growing informal economy, now and in the future, should not be used to justify the dismissal of the link between employment and social protection. While acknowledging the importance of the critique of the centrality of the employer-employee relationship, this paper defends key elements of productivist and worker-oriented ideas in relation to social protection for informal workers. These include: i) the importance of not losing sight of a key lever – the relationship between workers, capital and the state – which can be used to extract contributions from capital to the financing of social protection in a context of austerity and large scale capital flight, tax avoidance and evasion by large corporations; ii) the way in which productivism can bring social services – often marginalized in the current social protection policy trend towards social assistance and in particular cash transfers – into a more central focus for policy; and iii) the ways in which understanding people as workers – people who are not necessarily employees (i.e., not in a standard employment relationship) but are active economic agents – can change the framing of social protection in a way that has significant implications for the design and delivery of social programmes.

Introduction

This paper engages a debate about the conceptual underpinnings on which claims to social protection – and the rights on which they are based – are made. Specifically, it addresses the argument that the future of social protection should lie along a different path from the future of work, that access to social protection should no longer rely on perceived productivity (an idea that is often referred to as “productivism” and which has traditionally been defined as participation in waged employment) or the work status of the claimant. These arguments have gained increasing traction in recent years and have found favour with both those on the left and the right of the political spectrum (Ferguson 2015, Barchiesi 2011, Weeks 2011, Perry et al. 2007, Bourginon 2005). The number of people worldwide who have no formal employment is very large and growing; this includes women whose opportunities for participation in the labour market are severely circumscribed by their responsibility for domestic and care work. The enormous size of the labour force that works informally is often cited as justification for delinking employment and social protection. Informal workers cannot be taxed by the central fiscus in the same way that formal workers can be taxed, and it is often difficult to identify the employers who should be making contributions to the social wage. Also, in most countries the majority of informal workers are self-employed, though many may be in a form of disguised employment. Informal workers challenge the relationship between employment and social policy, and some have argued for the provision of social protection on the basis of citizenship, rather than work status.

This paper insists that connecting employment and social policy will continue to be important, even if the future is to be characterized by increasing precarious and informal employment. We draw on the work and experiences of Women in Informal Employment: Globalizing & Organizing (WIEGO), bringing a perspective that foregrounds a gendered analysis of informal work and access to social protection. After laying out in more detail the arguments, by others, for delinking social protection and employment, the paper proceeds to highlight three arguments. These are: i) the importance of not losing sight of a key lever – the relationship

between workers, capital and the state – which can be used to extract contributions from capital to the financing of social protection in a context of austerity and large scale capital flight, tax avoidance and evasion by large corporations; ii) the way in which productivism can bring social services – often marginalized in the current social protection policy trend towards social assistance and in particular cash transfers – into a more central focus for policy; and iii) the ways in which understanding people as workers – people who are not necessarily employees (i.e., not in a standard employment relationship) but are active economic agents – can change the framing of social protection in a way that has significant implications for the design and delivery of social programmes.

An Overview of the Arguments for Delinking Social Protection and Employment

Social policies are rooted in assumptions about the rights and responsibilities of states, markets and households (Heintz & Lund 2012). According to the classification of welfare regimes in Europe developed by Esping-Anderson (1990), these rights and responsibilities are conceptualized in different ways according to whether the regime is liberal, corporatist or social democratic. Nevertheless, across all three classic regimes, social citizenship in the European welfare states has been and continues to be productivist in nature (see for example Beveridge 1942; Marshall 1965). “Productivist regimes,” argues Goodin (2001: 14) “are all centrally concerned to ensure a smooth supply of labour to the most productive sectors of the formal economy.” Productivism conceptualizes the rights and responsibilities of citizenship through the employment relationship. Citizens may have a right to access social insurance, social assistance and social services, but they also have a responsibility to contribute towards the funding of these systems through their participation in waged labour. “That individuals should work,” argues Weeks (2011: 8), has been “fundamental to the basic social contract.”

This responsibility to work is conceptualized and actualized differently under different welfare regimes. Under a liberal regime, there are minimal social benefits for those outside of employment, whereas in the social democratic regimes, access to social benefits is more universal. Nevertheless, social democratic regimes go to great lengths to ensure full or near-full employment through active labour market policies, whereas under a liberal regime there is less state support and more individual responsibility for ensuring employment. As Goodin (2001) puts it, all three types of classic welfare regime identified by Esping-Anderson (1990) are underpinned by the idea that “without work there is no welfare.” Furthermore, as Weeks (2011: 8) points out, the compulsion to work is not limited to economic reasoning alone. It is also “widely understood as an individual moral practice and collective ethical obligation.”

Although the forms of welfare provisioning in developing countries have differed from those in Europe to a considerable extent, employment has also historically been fundamental to the social contract. Cooper (1996), for example, has detailed the ways in which the employment relationship was key to the development of social policy in post-independence Africa. In India, too, work-related social protections such as the Employee State Insurance Scheme dominated the discussions on social security after independence (Alfers 2016a). Similarly, in Latin America the employment relationship has historically underpinned many social provisions (Barrientos and Hinojosa-Valencia 2009).

The productivist orientation of welfare – foregrounding work as the pathway to social citizenship – has, however, long had its critics on both the left and the right of the political spectrum (Heintz and Lund 2012). Orthodox neo-liberal economists of the 1980s and 1990s argued that it is the market, not the state, which should provide both employment and work-related social security. Employment creation was subsumed under the primary goal of economic growth. Social protection came to be seen as desirable only in the form of a minimalist safety net for those who could not provide for themselves through the market –

children, the elderly, and the disabled (Elson 2004). Often women were incorporated into this category on the assumption that they were dependent on a male breadwinner. This is, at least, partly the reason that women's work in the informal economy was for so long understood to be an extension of their domestic roles, and not seen as productive "proper" work.

On the left, the critiques have been more varied. Feminists have highlighted women's unequal access to the labour market because of their domestic and care responsibilities, and have argued for greater recognition of the importance of reproductive work to society and as a pathway to the full rights of social citizenship (Lister 1997). Autonomist Marxists centre their critique of capitalism on the employment relationship (as opposed to the market, private property, or the factory), and argue that if the system is to be subverted, so too should waged employment (Weeks 2011). Those with perhaps less radical intent have drawn on Esping-Anderson's idea of "decommodification" to argue that the success of social policy should be measured by the extent to which it frees people from having to sell their labour, rather than by the number of people in employment (Barchiesi 2011). For all these arguments, there have been counter-arguments: feminists who emphasize that the work women perform, whether paid or unpaid, domestic or non-domestic, should be recognized as productive work; those who argue that women need greater, not less, access to the labour market; some Marxist theorists and trade unionists who still see waged employment as central to the redistributive project; and those who point out that, despite his focus on decommodification, Esping-Anderson continued to see employment (through employers' and workers' contributions to work-related insurance, and through employers' and workers' taxes) as fundamental to the financing of the welfare state (Bosch 2004; Heintz & Lund 2012).

The debate about the productivist approach and the delinking of social policy and employment is therefore not a new one. Recently, however, the debate has taken on a more marked sense of urgency. First, it is commonly understood that there is a global crisis in employment (UN 2011; Bosch 2004). This crisis is the result of several factors. In developing countries, there has been a growing acceptance of, and better data on, informal employment, showing that most workers in the global South do not work, and never have worked, in formal employment, and thus are not part of the relationships on which the post-war/post-independence social compacts were built.¹ There has also been the growth, within the OECD countries, of what is known as precarious, non-standard, or atypical forms of employment.² Both informal employment and precarious employment are characterized by low incomes – "working poverty" – and a lack of social protections. Rising unemployment in many countries, along with fears about job losses resulting from technological change, have added to the feeling that waged employment can no longer perform the function it was supposed to perform under the post-war social compact. Employment is no longer a pathway out of poverty, nor does it effectively include people into systems of social protection.

A second key development has been what James Ferguson, in his book *Give a Man a Fish: The New Politics of Distribution* (2015), terms "the rise and rise of social protection." By this, he refers to the proliferation across Latin America, Africa and Asia of programmes of social assistance in the form of cash grants. While these grants can be conditional or unconditional, they are usually means tested and targeted towards the very poor and/or the "vulnerable groups" previously targeted by social safety nets: children, the elderly, and the disabled. According to Ferguson (2015) and others in favour of universal social protections, however, the key point about them is that they are distributed on the basis of citizenship (or human rights) and delinked from work status. The right to access social grants (particularly those that are unconditional) is not contingent on the perceived productivity of the recipient, and in fact a disabled person receiving an income from paid work renders a person ineligible, where grants are means tested on income.

¹ The most recent national data from 44 countries shows that informal work makes up over 80 per cent of total non-agricultural employment in South Asia, over 65 per cent of total non-agricultural employment in Sub-Saharan Africa and Southeast Asia, over 50 per cent of total non-agricultural employment in Latin America and the Caribbean, and 45 per cent of total non-agricultural employment in the Middle East and North Africa (Vaneck et al. 2014).

² Within the global North, self-employment, temporary or fixed term work (all so-called atypical forms of work) now makes up 20 per cent of total non-agricultural employment in some OECD countries (Vaneck et al. 2014).

The rising popularity of cash grants in sub-Saharan Africa and recent campaigns for a Basic Income Grant (BIG) in southern Africa (as well as in India and in parts of Europe),³ Ferguson (2015) argues, may be a sign that the conceptual thread connecting welfare and work – “that without work there is no welfare” – is fraying in the region. Production was the overarching logic which underpinned the post-war European welfare states. Economies were rooted in manufacturing production; those who contributed to this were considered productive citizens (whether workers or employers). Because they were contributing to the shared resources on which social policies were built, they had access to social benefits, while a smaller amount of social assistance was set aside for those unable to work. Yet this logic fits less well in many countries of the global South, where the type of formal employment on which the European welfare states were built is far less prevalent. Scholars interested in the informal economy in Africa have long pointed out that, particularly among those whose incomes are very low, the predominant economic function of the informal economy is often not the production of goods, but rather the distribution of goods through hawking, vending and petty trade (Robertson 1988; Moser 1978; Natrass 1987). Here the predominant image is of the woman street vendor purchasing her goods wholesale and moving onto the roadside to attract passing customers who will buy these goods.

Distribution as an organizing principle of economic life has not been afforded enough attention, argues Ferguson (2015), by either neo-liberals fixated on growth or Marxists fixated on production. Yet this is how many in the informal economy make their living. Ferguson places this within a larger concept of “distributed livelihoods,” into which he also incorporates many other forms of distribution, such as resource distribution that occurs through, for example, kinship networks. Moreover, the distributive work that operates in the economy is reflected in the logic of the cash grants and arguments for the BIG. He argues that instead of making arguments for the disbursement of cash on the basis of productivity, we may now need to shift to an alternative logic. The idea of the “distribution of the share” is mirrored in distributed livelihoods, which distribute a (small) share of goods produced in the mainstream economy, allowing people to eke out small incomes. Perhaps, then, it is the *distribution of the share*, rather than its production, which will become the key factor connecting economic and social life in the future, asserts Ferguson. This may chart the way forward for a new politics of redistribution in societies in which most people have never worked – and are unlikely ever to work – in the kind of waged employment that has traditionally been considered productive.

Ferguson’s arguments contain an important challenge to WIEGO’s work on social protection. WIEGO works primarily with poorer workers in the informal economy, particularly women, who tend to be concentrated in the forms of work where returns are low (Chen 2012). For a long time this work was not considered “real work” since it was thought to be the “natural” extension of their gendered responsibilities. Many of these workers are the street vendors, petty traders, home-based workers, and waste pickers who have variously been termed “reserve army” and the “lumpenproletariat” by a Marxist theory that centred and valorized male waged workers as the vanguard of revolutionary politics (Robertson 1988) – and whom Ferguson refers to as those who rely on “distributed livelihoods.”

Yet WIEGO insists that these groups are workers. The System of National Accounts (SNA), which provides the global norms for calculating the value of work, agrees. These workers may not have formal employment relationships, but they make up the majority of the world’s economically-active population in the global South. They contribute to society and to the economy, and because of this contribution, should be afforded the same social protections to which formal workers have traditionally had access. It is an argument that – along with anti-productivist ones such as Ferguson’s – insists on rethinking the social contract that has favoured male-dominated waged employment; it is an argument that insists the work done by poorer women be acknowledged as contributing to society. However, it is also a productivist argument, albeit one that argues for the widening of the definition of “productive employment” to incorporate those who have long been considered unproductive, yet on whose labour large numbers of people rely.

³ Guy Standing and Phillipe van Parijs have been primary actors in the Basic Income movement around the world.

Ferguson (2015: 98) questions the expansion of productivism in this manner, arguing that it is “out of touch with the realities of survivalist improvisation” that characterizes much of the informal economy because it “so often starts not with what people are (or can reasonably hope to be) but with productivist ideas of what they ought to be, yet inexplicably are not (business owners or organized workers).” Instead of insisting that what informal workers do is *work*, and on the basis of their status *as workers* make claims on the state, Ferguson argues it would be better to accept that many of those surviving through the informal economy will never be workers in the way in which the term is conventionally understood. These are not people whose meagre livelihoods are a sign of capitalist exploitation – they are people whose meagre livelihoods are a symbol of their “very limited relevance to capital at any scale” (Li cited in Ferguson 2015: 11). In this case, perhaps it is time to reconsider the basis on which claims to social protection are made. Distributionist arguments might, in the future, give informal workers a more realistic chance of accessing social protections than productivist/workerist ones.

These arguments are important to consider when thinking about the future of social protection for informal workers. Productivist arguments have served some informal workers well. There are waste pickers in Pune, India who have negotiated health protections from the municipality by showing their economic contribution; there are home-based workers in other parts of India and in Thailand who have negotiated better wages and social protections from those higher up the value chains in which they work. At the same time, scholars such as Rina Agarwala (2013) have pointed out that in India, informal workers are increasingly gaining access to social benefits on the basis of their status as poor and vulnerable citizens, rather than as workers.

Drawing on the work of WIEGO, the following sections are framed as a response to Ferguson (2015). This is an important book that takes us outside of our more directly policy-focused work and moves us toward questioning the principles that underpin our thinking around social policy – principles that are often taken for granted. However, it is also a book that contains some problematic assumptions. In this way, it serves as a proxy against which to develop a criticism from an informal worker perspective that is applicable well beyond the book itself, feeding into a bigger debate about the place of work-related social policies in an increasingly informalized world. Finally, it is always worth making the connections between theory and practice, in the hope that an exchange between the two will lead to a deepening of both.

Turning “Bottom of the Pyramid” On Its Head: Linking Informal Workers & Owners of Capital

Livelihoods that are made in the informal economy – whether distributive or not – are not delinked from or irrelevant to the mainstream capitalist economy. What happens in the formal economy impacts on the informal economy and vice versa. The formal and informal exist in relation to one another; in the words of social theorist Gill Hart (2006), they mutually constitute and are constitutive of one another. While this point has been made multiple times in the past, very little attention has been paid to its implications for the provision of social protection.

In South Africa, Caroline Skinner’s (2005) survey of over 500 small informal enterprises in Durban found that the majority sourced their raw materials from formal enterprises. The economic importance to formal businesses of supplying the *spaza*⁴ shops, the petty traders and the hawkers has not gone unnoticed. G. Alcock (2015: 2) argues that “in many ways our economy is being sustained by the informal sector.” Through its networks, which reach deep into the urban and rural areas where formal businesses do not, the informal economy provides goods and services to large numbers of people. In doing so, it extends and

⁴ *Spaza* shop is a South African term denoting often small, informal, general goods stores, usually located in or near townships, often operating out of the owners’ homes, and often selling cooked food.

multiplies the market of formal firms – some of them multinationals – many times over. This is as true for the successful township *spaza* shop owner as it is for the hawker selling sweets and airtime on the side of the road. The profit margins may be slim, but the informal economy has the potential to distribute goods to large numbers of previously unreachable people, making it possible to aggregate large profits – something that has not escaped the notice of the corporate “Bottom of the Pyramid” literature (Prahalad 2004).

Lund and Nicholson (2004) have asked the question: if formal firms, including multinationals, are profiting from the work that is done by much poorer informal workers, do the firms not bear a duty to contribute to the welfare of those who help earn them their profits? There have been attempts by self-employed informal workers to argue for social protection from those who profit from their work yet are not considered *de facto* employers.

An ILO research study commissioned in 2000 showed that the waste pickers, by sorting out and removing recyclables from the waste stream, saved the Pune Municipal Corporation USD 330,000 in transportation costs, while each waste picker contributed USD 5 of unpaid labour to the municipality each month (Narayan and Chikarmane, 2013). The trade union of waste pickers in Pune, India, the *Kagad Kach Patra Kashtakari Panchayat* (KKPKP), went on to show that while the municipality was gaining these savings, workers themselves were having to bear the health costs of unhealthy work. KKPKP used this information to advocate for and win (in 2002) a municipally-funded health insurance scheme for its waste picker members.

More recently SWaCH, a cooperative of waste pickers associated with KKPKP, has turned its attention towards large manufacturers who, through India’s plastic regulations introduced in 2010, are now required to take responsibility for the end of life of their plastic products. SWaCH has argued that waste pickers save money for these manufacturers through their recycling work. For this reason, argues SWaCH, the manufacturers should also contribute to schemes that protect the health of waste pickers.

Other informal workers have also found ways to leverage the benefits they provide to industry. In South Africa, a multinational dairy producer has provided upgraded infrastructure, storage facilities and training to street food sellers who use its cheese products (Alcock 2015). Also in South Africa, the Triple Trust Organization’s Shop-Net programme has shown how *spaza* shop owners can organize to put pressure on the formal wholesalers from whom they purchase their products. The shop owners have had success in having wholesalers reduce prices and provide other perks (such as free transportation of goods) (CTPC 2015). While this is not social protection *per se*, it does establish the possibility of a protective principle – that self-employed informal workers may be able to organize and make direct claims for protection and benefits directly on more powerful actors within supply and distribution chains. In this way they can turn “Bottom of the Pyramid” positioning on its head.

Why is this important? There is increasing pressure on the state (and citizens) *alone* to finance social protection. The casualization of labour has led to the loss or the erosion of work-related social protection, leaving more and more people reliant on state provision or on family and community support. This is happening while nation states are becoming less able to derive taxation from multinationals to fund social programmes. Over the past three decades, corporate tax rates have decreased between 15 to 20 per cent in high- and low-income countries, property taxes remain low in most countries, and corporations and owners of capital can more easily avoid their taxes using low tax jurisdictions and tax loopholes (IMF 2011, OECD 2016). The G20/OECD estimate that global corporate income tax losses could be USD 100–240 billion annually (OECD 2015). As trade tariffs have fallen, indirect taxes on consumption have expanded to raise revenue and broaden the tax base (Ortiz et al. 2015a, IMF 2005). As a result, capital is contributing less to tax revenue, while indirect taxes are eating into workers’ wages and incomes. In high-income countries, regressive indirect taxes can be offset by tax credits; however, this is not possible in middle- and low-income countries where few people pay income tax due to overall low earnings.

Taxing informal workers is proposed as one way of extending the tax base, and though some informal operators can afford to pay income tax, the vast majority are in low-paying, insecure and vulnerable employment. Employers comprise only between 2–9 per cent of non-agricultural informal employment globally. Most workers, particularly women, are own account workers and contributing family workers (Vanek et al. 2014). Extending taxes on the informal sector without increasing taxes and closing tax loopholes for corporations and wealthy individuals make tax systems more regressive and further decrease workers' share of income. Raising more tax revenue for cash transfers through a regressive tax system means that the poor pay more for social spending, diminishing the redistributive impact of these policies. The former United Nations Special Rapporteur on the Right to Food noted that the regressive tax system in Brazil meant that the recipients of the social programmes under the Zero Hunger policy were contributing proportionally more to these schemes than corporations and wealthier individuals (UN 2009).

The arguments for universal social protection schemes delinked from employment highlight the importance of providing social protection for those outside of conventional employment relationships. In some cases – for example the southern Africa campaign for a BIG – the question of how to finance these protections reveals the need to ensure contributions to the tax base from the owners of firms, who reap the profits from mining and natural resource extraction (SADC BIG Campaign 2013). Yet these campaigns are also occurring in the context of increasing state austerity; more than 107 high-, middle- and low-income countries are projecting to decrease their expenditure on social protection between 2016 and 2020 (Ortiz et al. 2015b). In this context, even if a basic income is to be provided by the state, it is unlikely to be of enough value to free people from the need to earn additional income. Therefore, the question of work-related social protection and the importance of recognizing workers in the informal economy as *workers* does not disappear.

Here, there are two concluding points to be made. Firstly, as Rubery (2015) has stated, there is a need to maintain a dual focus: supporting universal state-provided social provision should not mean a loss of focus on work-related provisions. Universalism should not entail undermining work-related social protections, nor the erosion of contributions from the owners of capital to the overall social good. This is especially important in countries where tax collection systems have traditionally been weak and where the provision of social protections through the employment relationship has been a small, but important, contribution to overall welfare. For instance, Thailand extended universal health coverage through a mix of tax revenue, and contributory and non-contributory schemes (Valverde and Pacheco 2012). In Latin America, countries such as Argentina, Chile, Costa Rica, Brazil and Uruguay are seeking to increase social contributions to finance overall social protection (Cecchini et al. 2015). Expanding the coverage of contributory social security can create the fiscal space countries need to extend social assistance. Capital's contribution to informal workers' social security can leverage more funds for social protection systems overall and enable formalization.

The second point provides a direct reason why we continue to refer to those who earn their livelihoods in the informal economy as workers. "Worker" is not synonymous with "employee," nor does it have to apply only within the productive sectors. There are many workers in the formal service industry whose role is distribution, yet who are considered workers. What the word "worker" signifies is that the person acts as an economic agent – someone who exists in relation to the economy and to capital. Seeing informal workers as intrinsically, clearly and directly connected to the formal economy – and to capital – allows us, as Lund and Nicholson (2004) have done, to open up the question of responsibility in ways which might result in protections for the poorest workers exceeding what the state has the ability to provide, particularly in a time of increasing state austerity. The point here is not to say that the informal workers do not need or want universal protections or a basic income for that matter. Indeed, through their pilot study in India, Davala et al., (2015) have shown the benefits that accrue to informal workers through the provision of a basic income grant. The point is that, where the contributions of capital to the social compact are increasingly being eroded, it is important to explore alternative avenues for collecting contributions that can finance the protection of workers. Understanding those who earn their livelihoods in the informal economy as workers, linked to the workings of capital at multiple scales, unambiguously allows this to be done.

Public Social Services & Labour as a Produced Factor of Production

Productivism is an idea with two parts to it. On the one hand, it underpins the idea that participation in productive work is a primary pathway to accessing social benefits. As already discussed, this aspect of the productivist argument has rightly been subject to critique. This is particularly because of the narrow definition of productivity that has been adopted to mean only those who participate in waged employment, which often excludes the all-important but unpaid reproductive work done by women, as well as the social and economic contributions of those working outside the formal economy. However, the other side of the productivist argument – the idea of labour as a produced factor of production – is one that has been less well scrutinized, and one which represents an argument with significant implications for how social protection is defined.

The idea that labour is a produced factor of production means that healthy, educated and skilled workers are *made*, they do not just appear (Heintz and Lund 2012). Conceptually, this establishes a relationship between the sphere of “the social” and “the economic,” and in doing so counteracts the neo-liberal trend to separate the two – which results in seeing economic growth and prosperity as divorced from the social conditions that enable it. Crucially, however, the understanding that labour is a produced factor of production has historically been a powerful argument for the provision of social services such as health and education, which are vital to developing and promoting the well-being of those able to participate in social and economic life. In the development of the European welfare states, it was this argument that preceded, and formed the basis for, later justifications that social services were a right of citizenship and a matter of social justice (Searle 1971). It is no wonder that this has been repackaged in the current era into ideas about the “social investment” state by those who argue that this allows society to take on capitalism “at its own game” (Midgley 1999).

Social services have been key to facilitating social mobility and breaking the intergenerational transfer of poverty, and are particularly important for enhancing the economic and social status of women. Health services, child care, elderly care and education services relieve some of the care burden placed on individual women and families, allowing them to spend more time earning an income and more time resting. Though men participate in social reproduction, women and girls take a disproportionate share of responsibility in domestic chores and the care of household members. In 2016, WIEGO conducted a study on the impact of child care on the earnings of informal workers among grassroots organizations in five countries.⁵ The findings showed that women are more likely to take on insecure, flexible and irregular work to care for their children while trying to earn an income. In South Africa, women who work in waste picking – one of the most difficult, denigrated and dangerous occupations in the informal economy – noted that they had chosen this form of work because it gave them the flexibility to care for their children during the day (Alfers 2016b).

Cash transfers are important for women in that they can supplement low earnings. However, they are not, on their own, sufficient. They do not necessarily lead to a shift in who does a greater share of care, cooking and cleaning in the home. The Child Support Grant in South Africa is proven to have a positive material impact on children’s wellbeing, and to increase women’s decision-making power within the household. However, there is limited evidence to suggest any shifts in the division of labour within the household (Patel 2012). In as much as universal cash transfers can recognize, value and support social reproduction, they will not necessarily lead to a redistribution of this work unless quality public services such as child care, education and health care are available, allowing women to shift some of the burden onto the state and giving them greater freedom to participate in social and economic life.

⁵ The countries were: Brazil, Ghana, India, South Africa and Thailand.

Social services are less central in a social protection discourse dominated by cash transfers, whether the argument is for the provision of limited transfers to the vulnerable, or the more ambitious call for a BIG. Our concern is that the design and implementation of myriad cash transfer schemes may take attention away from the financing and delivery of social services in countries where they remain weak. In Latin America, increases in spending on cash transfers – contributory and pensions and means-tested grants – rose at a higher rate than spending on education, health care and housing between 1990 and 2009 (Lavinás 2013). Critics of the Government of India’s proposal for a universal BIG claim it will be targeted and financed by cutting back on public services and subsidies (Gosh 2017, Khera 2016). Fiscal conservatives support the idea of the BIG precisely because it will rationalize existing schemes and reduce overall public spending. This is antithetical to the idea of a universal income, but it does highlight how this policy can be used to weaken the public services that poor women workers rely on. Women informal workers will use social services more than men due to their reproductive health needs, longer life expectancy and the lower earnings that make private services inaccessible. They will be more adversely affected if public services are slashed to finance cash transfers.

This does not mean, of course, that a productivist logic is the only way we can emphasize the importance of social services within the social protection discourse. Rights-based arguments (and the legal basis for these), social justice arguments, as well as Ferguson’s distributive arguments around the “share of national wealth,” for example, could also be used to justify more spending on social services. The question is, however, whether this makes irrelevant the productivist arguments that have been used successfully to justify the mass expansion of social services in the past. Ferguson (2015: 11) suggests that productivist arguments will have less traction over time because the “people who receive social payments...cannot be plausibly understood as part of a vital and necessary functional logic of reproducing a workforce, for there is simply no demand for the kind of labour such payments reproduce.”

While it may be true that there is low demand for the “kind of labour” which low-value cash grants (in a context of poor social service provision) might produce, it is not true that there is no demand for labour at all. In South Africa, for example, there is a well-known skills shortage in the labour market (Leibbrandt et al. 2009). The country is not producing enough of the skilled labour that cash transfers could only conceivably produce in conjunction with high quality, accessible social services. This is something that is recognized by many informal workers themselves, who are desperate for their children to have better opportunities in life than they themselves have had. “I take my child to school so that he can have a bright future, I don’t want him to be like me,” said a Ghanaian market trader cited in Alferts (2016b).

Understanding Informal Livelihoods as Work: The Argument for Labour Protections and Institutions

Using the word “worker” when referring to those who earn their livelihoods in the informal economy sends an important signal that the needs of such people for social protection may be different from those who are not workers. “Worker” implies that the pursuit of an income is a key activity in which the person being discussed is involved. The protection of income (income security) was a central rationale behind the work-related social security of the European welfare states. A complex array of institutional mechanisms and forms were developed for this purpose over time, including insurance, assistance, workers’ compensation, social services and preventive protections (such as occupational health and safety mechanisms). Many of these were transported to developing countries, although they only covered the relatively small number of workers in formal employment (and especially the civil service and the military).

The cash grants that are such a central part of the current social protection discourse roughly equate to only one aspect of this array of mechanisms – the social assistance provided to those unable to work. It

is true that if cash grants were universalized and set high enough, they could obviate the need for many people to earn an income. Yet, as we have argued above, the current trend is towards more minimalist social protections (Ortiz et al. 2015b), meaning that most people will continue to require additional income, whether that comes from the formal or the informal economy. In this case, the question of income protection will remain relevant.

Preventive health services, including those relating to occupational health and safety, are important for informal workers. Good health underpins the ability to earn an income, and when health is undermined it can set up a vicious cycle of poverty. WIEGO's Informal Economy Monitoring Study, which surveyed street traders in 10 cities across Africa, Asia and Latin America, found that almost 25 per cent of women and 20 per cent of men cited poor health/illness as a reason for not being able to work in the previous 12 months. In the sample from Durban, South Africa, almost 100 per cent of traders stated that if they could not work due to illness, they would not be able to earn anything at all (Roever 2014).

The spaces in which many urban and peri-urban informal workers earn their incomes, such as roadsides, landfill and construction sites, and within their own homes, are often highly insecure. They are not recognized as workplaces by urban regulations, and so there is nothing to protect the people working in them. In fact, urban regulations, especially those relating to health, are usually oriented toward protecting “the public” and often view informal workers as one of the nuisances from which the public is to be protected. Informal workers operating out of urban public spaces may therefore be subject to all the usual insecurities of such spaces (for example, being vulnerable to violent criminal elements), but in addition are subject to harassment and violence from state authorities. This can be linked to the orientation of urban regulations, but also to collusion between the state and private developers seeking to remove informal workers from desirable urban spaces for their own gain.

In Durban, South Africa, 6–8,000 informal traders in Warwick Junction, a set of markets in the central city at a busy transport hub, are constantly under threat from developers and the city management seeking to evict traders in order to capture the lucrative market. This trend is exacerbated by discourses around city development and modernization, which seek to “upgrade” urban spaces in ways that exclude the informal workers who use the space to earn their livelihoods. In these spaces, basic services are neglected and infrastructure poorly maintained (Alfers et al. 2016). As a response, the traders have joined up with a local non-profit organization – Asiye eTafuleni – to develop an occupational health and safety initiative they call the *Phephanathi*⁶ Platform.

This project has also served as a political initiative, drawing on labour institutions to legitimize the traders' presence in the urban space. The point is to encourage everyone (the public, state institutions and the private sector) to think about the markets as more than a series of roads, pavements and open spaces, and to understand them as workplaces with the rights and responsibilities this entails (Alfers et al. 2016). Framing the *Phephanathi* Platform as an occupational health and safety initiative – a workerist framing – has allowed the traders to access support and resources from those interested in urban health, as well as from local formal labour unions, the local university's occupational health division, and from the National Institute for Occupational Health.

Viewing those who earn their income in the informal economy as workers foregrounds their role as earners of income, and gives a different slant to social protection, which is predominantly viewed as support to the vulnerable poor. Through a gender analysis, we can show how women who are informal workers are too often ignored because they are “invisible” or engage in unpaid work as contributing family workers, and too often lumped together with the vulnerable poor without distinguishing their specific needs as women *workers*. Few countries, for instance, have implemented universal maternity benefits to protect women informal workers' income at a time when they cannot or choose not to engage in the labour market.

⁶ *Phephanathi* means “be safe with us”.

With a gendered informal worker focus, social protection is seen to be a key mechanism for the protection of income for women as well as men. While cash grants can help to do this, there are other important areas, such as insurance and preventive interventions, which have long been considered central to income protection for formal workers. Emphasizing that informal workers – especially women who are concentrated at the bottom of the economic pyramid – are *workers* allows us to bridge the work-related social security discourse and the poverty-centric social protection discourse in a way that moves beyond cash grants, offering the potential for a more extensive range of protections to informal workers. It allows us to break the myth that women’s work is not real work and that poor women are always the same as the vulnerable poor. Moreover, as the *Phephanathi Platform* has shown, it allows informal workers the possibility of tapping into the logic, mechanisms and resources of formal labour institutions so as to bolster their own claims to social protections and resources, such as productive urban space.

Conclusion

Questioning and rethinking the philosophical underpinnings of how claims to social protection are made, and how work is understood, is crucial in a future where both social policies and work will look different from those of the post-war European welfare pacts. Indeed, participating in this rethinking has been a key aim of WIEGO’s Social Protection Programme. For too long, the economic and social contribution of informal workers, a large percentage of whom are women doing low-paid or unpaid work, has gone unrecognized by a productivist/workerist model that has privileged male-dominated formal waged employment as the pathway to social protection.

Although this rethinking is important, there are important reasons why we continue to frame our arguments for social protection within, rather than outside of, the productivist/workerist model, while simultaneously pushing this model to be more inclusive of those it excludes. We disagree with James Ferguson (2012: 511) when he argues that by eschewing this model we might “make ourselves aware that what is being lost is not any possibility of a decent future, but instead just one very particular formulation of what such a decent future might look like.” When those who earn their livelihoods in the informal economy are not seen as workers, there is a danger that the link between capital and society, and questions of the responsibility of capital to that society, are lost. This danger is especially real because the social protection discourse has tended to foreground the citizen-state relationship at the expense of questions about the responsibility of capital.⁷ In this case, the “new sorts of politics” that Ferguson identifies may feed, however unwittingly and unwillingly, into an economic model that is deeply unfair and that will never allow for the realization of a “decent future” for the majority of the world’s citizens.

We have argued that a productivist/workerist framework allows informal workers to make arguments for social protection that reach beyond the concept of cash transfers that currently dominates social protection discussions. The productivist emphasis on social services is an important one, especially for the women workers who carry the dual burden of both work and care. Moreover, insisting that informal workers are workers allows them to link into the resources and infrastructure (such as occupational health and safety) that exist for work-related social protections in the formal economy, and which can help to protect their incomes. As the example of the *Phephanathi Platform* shows, this can also be a political strategy to reinforce claims to resources. Universal social protections (and universal access to social services) are, of course, important for informal workers. Yet what a worker needs in terms of social protection is different from what an unemployed person or a poor vulnerable person may need. To be sure, they will both benefit from a basic minimum, but the worker also needs protections to ensure that risks to their ability to earn better and more secure incomes are prevented or mitigated.

⁷ This is not to say that the citizen-state relationship is not central to a redistributive project in which the state must be the guarantor of social security. It is to emphasize that there is another aspect of this relationship that does not receive sufficient attention.

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About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO builds alliances with, and draws its membership from, three constituencies: membership-based organizations of informal workers, researchers and statisticians working on the informal economy, and professionals from development agencies interested in the informal economy. WIEGO pursues its objectives by helping to build and strengthen networks of informal worker organizations; undertaking policy analysis, statistical research and data analysis on the informal economy; providing policy advice and convening policy dialogues on the informal economy; and documenting and disseminating good practice in support of the informal workforce. For more information visit: www.wiego.org.

