

OLD AND NEW FORMS OF INFORMAL LABOUR

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OUTLINE

- Trajectories of new and old forms of informal employment in the developing (global south) and developed (global north)
 - What do the data suggest?
 - What are the factors that drive these forms of employment?

INFORMAL EMPLOYMENT IN DEVELOPING COUNTRIES

➤ Share of non-agricultural employment

Regions	All workers	Women
Sub-Saharan Africa	33 – 83%	36 – 89%
South and East Asia	42 – 83%	36 – 85%
Latin American and the Caribbean	40 - 74%	40 – 79%
Middle East and North Africa	31– 58%	23 - 42%

➤ Domestic workers, Home-based workers, Street vendors and Waste pickers

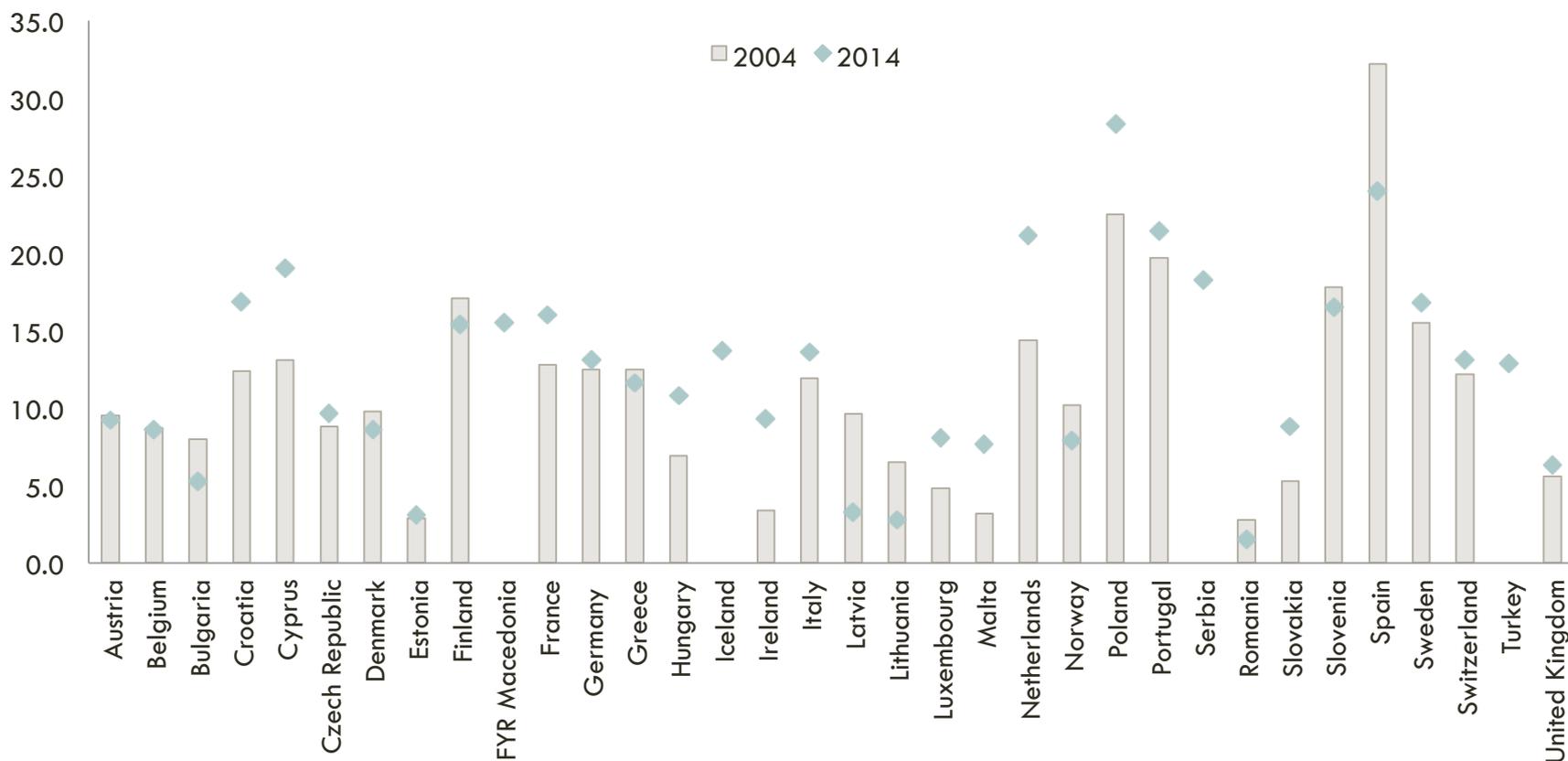
Source: Men and Women in the informal economy, ILO, 2013

INFORMAL EMPLOYMENT IN DEVELOPED COUNTRIES

- **Non-standard employment**
 - Temporary employment
 - Part-time work
 - Multi-party employment relationship
 - On-call work
 - Disguised employment / dependent self-employment (including digital labour)

Source: Non-standard employment around the world: Understanding challenges, shaping prospects, ILO, 2016

TEMPORARY EMPLOYMENT AS % OF TOTAL EMPLOYMENT



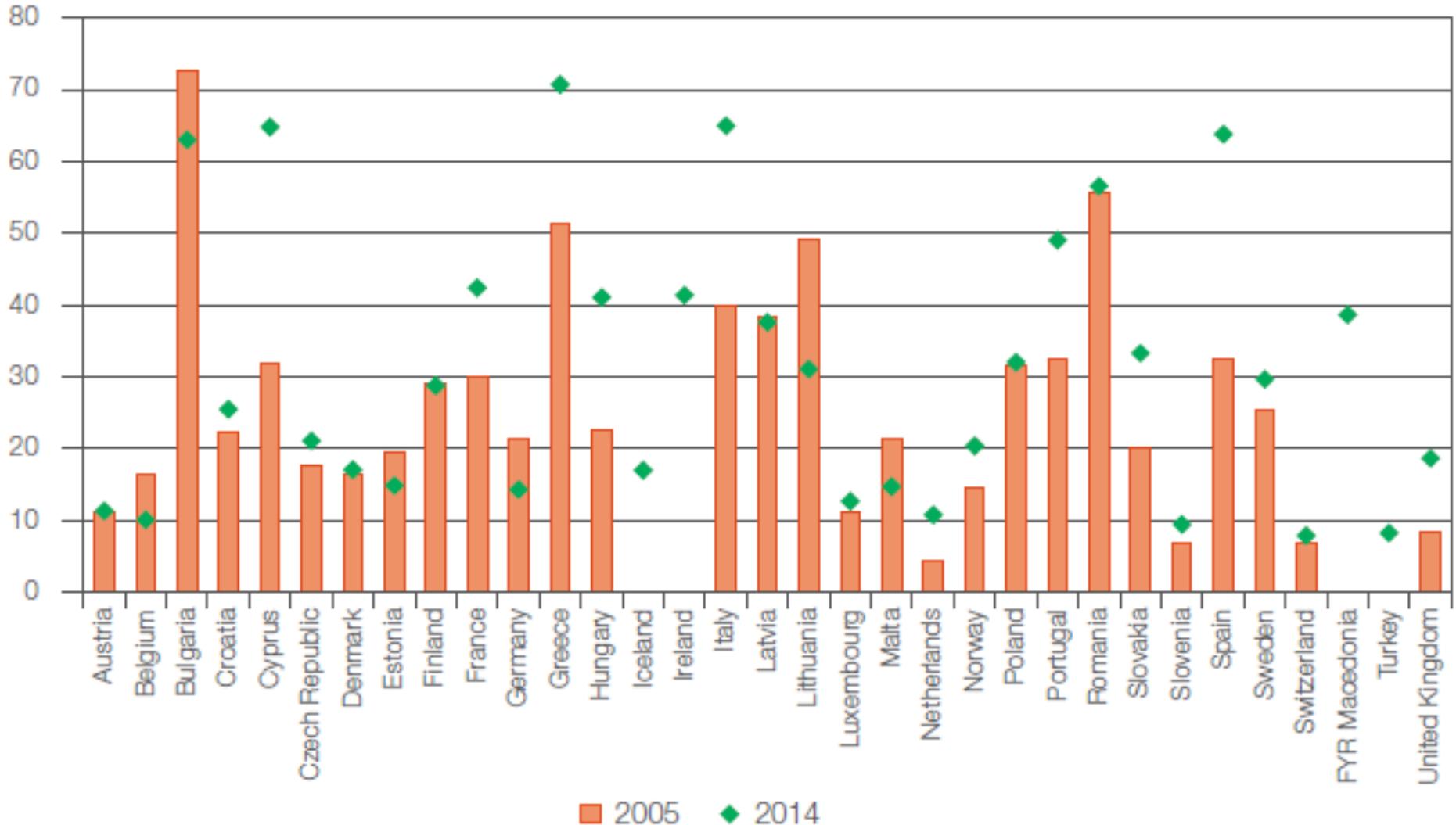
Source: Non-standard employment around the world: Understanding challenges, shaping prospects, ILO, 2016

INVOLUNTARY TEMPORARY EMPLOYMENT AS % OF TOTAL TEMPORARY EMPLOYMENT



Source: Non-standard employment around the world: Understanding challenges, shaping prospects, ILO, 2016

INVOLUNTARY PART-TIME WORK AS % OF TOTAL PART-TIME WORK



Source: Non-standard employment around the world: Understanding challenges, shaping prospects, ILO, 2016

MULTI-PARTY EMPLOYMENT RELATIONSHIP

- World Employment Confederation largest markets: United States, China, Europe, and Japan
- Republic of Korea: TAW - 4.4% of wage employees; “in-house subcontracting” - 55% of firms
- The Philippines: “agency-hired” workers - 62% of firms
- South Africa: labour brokering - 6.5% of workforce
- India: 1/3rd of manufacturing workers in organized sector are contract labourers

DISGUISED EMPLOYMENT/ DEPENDENT SELF-EMPLOYMENT

- Slovakia: 3.6% of employed are 'false self-employed'
- Chile: 12–17% of subcontracting firms made up of former employees
- Argentina: 2.3% of workers
- Mexico: 4.1% of workers
- United States: 8 -13% of workers in construction

Source: Non-standard employment around the world: Understanding challenges, shaping prospects, ILO, 2016

DISGUISED EMPLOYMENT/ DEPENDENT SELF-EMPLOYMENT

- Businesses in the “on-demand” or “gig” economy hire workers as “independent contractors”
 - Uber/ Lyft/ Ola
 - Deliveroo/ Somato
 - Task Rabbit/ Domestic worker apps
 - Crowdwork platforms – AMT, Crowd Flower, Clickworker, Prolific Academic, Upwork
- Some estimate on-demand/ gig economy to be 0.5% of the labour force in U.S. and Europe, but potential for growth is high

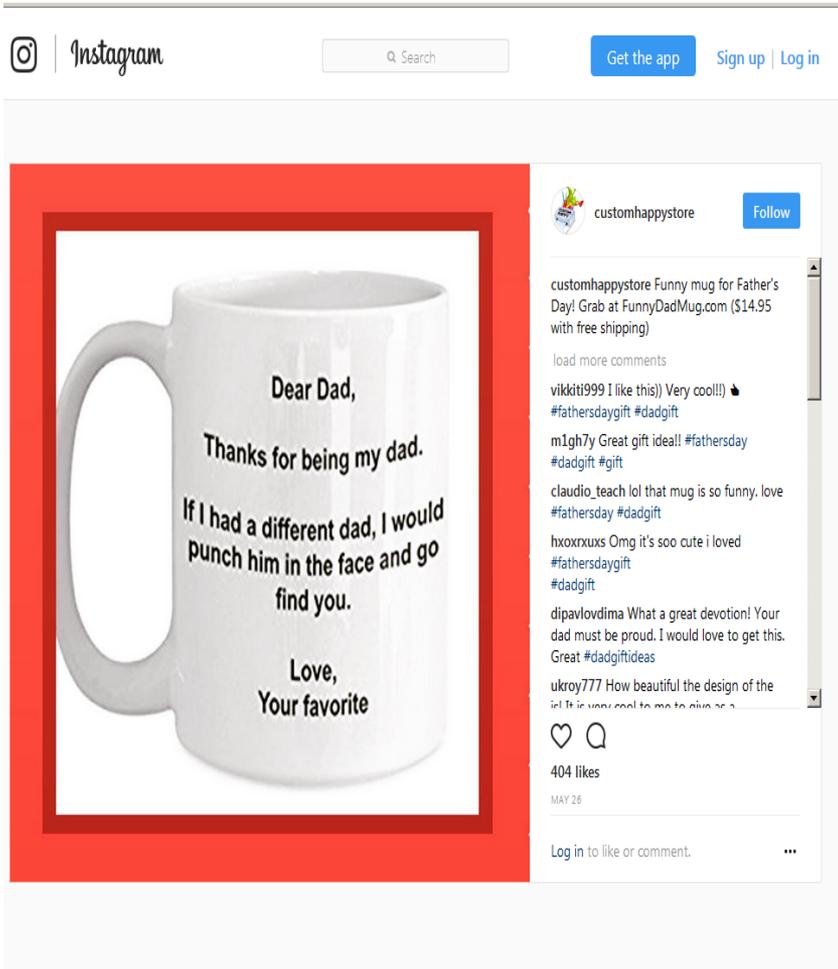
WORK RESEMBLES 'CASUAL LABOUR' AND 'HOME WORK'

- Crowd workers are said to be at the high end of 'home work'
- Traditional home work, had regular flow of work and dependent on supplier/ contractor, but in Crowd Work they have to look for work continuously and there is no guarantee of work
- Exclusion and discrimination of workers from certain countries
- For every hour spent on paid work, about roughly one-third (20 minutes) of additional time is spent on searching for the job (unpaid work)
- Work resembles 'casual labour' and 'home work'

CONTENT MODERATION FOR BIG BUSINESS

- Content screening or content moderation includes scenes of obscenity, hate speech, war zone footage, abuse of children and of animals, etc.
 - YouTube alone receives over 500 hours of user-uploaded video content to its website per minute
 - Fragment these 100 hours into 1000 jobs and posted on platforms / and also subcontracted to small enterprises or call centres in India, China and Philippines
- Hidden or 'Invisible' labour (training AI) to keep objectionable material away
- Content moderation uses global labour at zero transaction cost
- Psycho-social stress

CONTENT OF WORK: PROMOTION OF WEBSITES / PRODUCTS



The screenshot shows an Instagram post from the account 'customhappystore'. The post features a white ceramic mug with a humorous message printed on it. The message reads: "Dear Dad, Thanks for being my dad. If I had a different dad, I would punch him in the face and go find you. Love, Your favorite". The mug is set against a white background and is framed by a thick red border. To the right of the mug, the Instagram interface shows the post's details, including the account name, a 'Follow' button, the caption, and several comments from users. The caption reads: "customhappystore Funny mug for Father's Day! Grab at FunnyDadMug.com (\$14.95 with free shipping)". The comments include: "vikkitt999 I like this!! Very cool!!", "m1gh7y Great gift idea!!", "claudio_teach lol that mug is so funny. love", "hxoxrxuxs Omg it's soo cute i loved", "dipavlovdima What a great devotion! Your dad must be proud. I would love to get this.", and "ukroy777 How beautiful the design of the". The post has 404 likes and is dated MAY 26.

- Nature of tasks are mindless or mind numbing, low-end tasks
- Absolutely no learning or upward mobility for the workers
- Highly educated labour force being used

OLD AND NEW FORMS OF INFORMAL LABOUR

- Notion that growth of 'modern' (industrial) sector would absorb workers from the 'traditional' sector (1950/1960s)
- This sector has not disappeared but thrived in various forms and it is part and parcel of the processes of industrialization, development, modernization, and current capital accumulation process
- ***What are the factors that drive these forms of employment?***

FACTORS DRIVING THESE FORMS OF EMPLOYMENT

- Reorganization of production systems towards 'flexible specialization' (Piore and Sabel, 1984)
- Pressure from globalization led to shifting organizational strategies
 - subcontracting
 - outsourcing production and services to other small firms and countries (call centres and BPOs)
 - firms hired core workers on informal work arrangements
 - increasing trend towards employing temporary, part-time and contract jobs
- Structural adjustment programmes (Africa, Asia and Central and Eastern European countries)

FACTORS DRIVING THESE FORMS OF EMPLOYMENT

- Global economic crisis 2007/8
 - Increase use of temporary/ part-time and on-call workers due to economic uncertainty
 - Temporary reductions in working hours
 - Partial deregulation in a number of countries
 - Decline in unionization and the regulatory role of collective bargaining
 - Laws exist, but not implemented and enforced

FACTORS DRIVING THESE FORMS OF EMPLOYMENT

New ways of organising work

- 'new augmented workforce', which includes workers on formal contracts (core), temporary contracts, short-term contracts, on-call, and gig or platform economy (Deloitte, 2017)
- new model of Global companies with global labour force
 - Company based in Europe employing labour from a number of developed and developing countries in accordance with the respective country's national laws and wage levels (Deloitte, 2017)
 - Allows for further reduction in costs and use of unprotected labour

FACTORS DRIVING THESE FORMS OF EMPLOYMENT

Digital/Platform economy model

- Increasingly gaining popularity globally
 - reduces transaction costs, foster productivity and employs the global pool of most educated labour force.
- Digital piecework is bargained globally that drive the value of labour to the lowest global bidder, by design
- Challenges the existing way of organizing work and social rights against damaging working conditions and unfair labour arrangements
- Operates informally as it circumvents the existing regulatory framework

REINFORCING EXPLOITATION

Technology rather than elevating the workers of the world in the 21st century, helping business

“wherein there is a globalized race to the bottom in search of cheaper, faster and more human material sources in order for businesses to compete in a globalized 24/7 networked marketplace.” (Roberts, 2016: 44)

Need for a new development model, which is ‘human-centered’ and to ensure that technology can be used to improve the lives of the workers