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?
### Share of non-agricultural employment

<table>
<thead>
<tr>
<th>Regions</th>
<th>All workers</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>33 – 83%</td>
<td>36 – 89%</td>
</tr>
<tr>
<td>South and East Asia</td>
<td>42 – 83%</td>
<td>36 – 85%</td>
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<tr>
<td>Latin American and the Caribbean</td>
<td>40 - 74%</td>
<td>40 – 79%</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>31– 58%</td>
<td>23 - 42%</td>
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</tbody>
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- 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
IN VOLUNTARY TEMPORARY EMPLOYMENT AS % OF TOTAL TEMPORARY EMPLOYMENT

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

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

- 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 center 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, fosters 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