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# **Incorporating Informal Workers into Twenty-First Century Social Contracts**

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# **Introduction to Working Papers for New Directions in Social Policy: Alternatives from and for the Global South**

This paper is part of a series of outputs from the research project New Directions in Social Policy: Alternatives from and for the Global South.

The project examines the emergence, nature and effectiveness of recent developments in social policy in emerging economies and developing countries. The purpose is to understand whether these are fundamentally new approaches to social policy or welfare systems which could offer alternative solutions to the critical development challenges facing low- and middle-income countries in the twenty-first century. This research aims to shed light on the policy options and choices of emerging/developing countries; how economic, social, political and institutional arrangements can be designed to achieve better social outcomes given the challenges of the contemporary development context; how the values and norms of human rights, equity, sustainability and social justice can be operationalized through “new” social policies; and how experiences, knowledge and learning about innovative approaches can be shared among countries in the South. For further information on the project visit [www.unrisd.org/ndsp](http://www.unrisd.org/ndsp). This project is funded by the Swedish International Development Cooperation Agency (Sida).

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## Acronyms

<b>SMU</b>	Social movement unionism
<b>NSM</b>	New social movement
<b>SER</b>	Standard employment relationship
<b>ICLS</b>	International Conference of Labor Statisticians
<b>SNA</b>	System of National Accounts
<b>SEWA</b>	the Self Employed Women's Association
<b>CWWN</b>	the Chinese Working Women Network
<b>KWTU</b>	the Korean Women's Trade Union
<b>SASEWA</b>	South African Self Employed Women's Association
<b>UFCW</b>	the United Food and Commercial Workers
<b>ACFTU</b>	the All-China Federal Trade Union
<b>MWDC</b>	the Migrant Worker Documentary Center
<b>AFL-CIO</b>	the American Federation of Labor and Congress of Industrial Organizations
<b>EOIW</b>	Experiences in Organizing Informal Workers

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## Abstract/Summary

This paper exposes and analyzes if and how informal workers serve as agents of change for emergent social policies around the world. Informal workers (variously termed “precarious”, “non-standard”, “irregular”, and “flexible”) have been defined as those operating outside standard employment relationships and are thus unprotected and unregulated by most labor laws. However, such workers continue to be regulated by other state laws that may also affect their work, such as housing, migration, and crime. Contrary to earlier expectations, assuming informal workers are unable to organize, recent evidence indicates that they are organizing to defend their humanity and affect change in the global North and South. Ironically, the political and economic ideologies and practices that have overtly sanctioned informal work since the 1980’s have also had the unintended consequence of opening spaces for informal workers to make demands on the state. However, questions remain regarding the political and economic conditions under which informal workers do/do not capitalize on this opportunity to demand new protective policies, the varying roles they play in shaping national-level social policies, whether and how they organize across national contexts, and the extent to which their organization efforts succeed or fail.

To begin answering these questions, this paper draws from an ongoing cross-national comparative project of informal workers' movements across eight countries of the global North and South to offer an initial framework of contemporary trends in informal workers' movements. Our findings suggest that present-day informal workers are mobilizing populations that were often excluded from 20th century labor movements. Such populations include workers operating within non-standard employment relationships (such as contract-based construction workers and garment workers, as well as self-employed domestic workers, transport workers, and trash collectors), within non-standard workspaces (including the street, private homes, and unregistered workshops), and socially vulnerable groups (such as women, ethnic and racial minorities, and immigrants). By mobilizing these groups along class and social identity lines, informal workers are fighting to expand the definitions of “workers” and “employers” to include a larger and more diverse range of people, relationships, and occupations.

This paper aims to analyze informal workers' as change agents; this helps acknowledge the historically dynamic, relational nature of workers' movements across time and place, thus re-incorporating “workers” into conversations about new social movements and new social policies. Based on evidence from eight country cases, the author argues that contemporary movements among informal workers must be read in relation to 20th century workers' movements whose primary victory was to attain protected and formally regulated work, which spurred states and employers to evade formal labor regulations through informal employment. Today, informal workers' movements suggest efforts to remake the working class. This finding offers a corrective to mainstream depictions of the current landscape of labor, purporting the “end of labor politics” and the launch of “new social movements.”

Furthermore, our findings indicate that this potentially transformative mobilization stage among informal workers is spearheaded by workers of the global South (individuals living in the global South, as well as those who migrate to the global North). Despite their heterogeneity, these workers share commonalities in (1) the types of work they are engaged in and (2) the types of movements they are launching. These commonalities are not geographically bound in the contemporary era, but are bound to a group of mobile people. Therefore, studies on contemporary social movements must expand to include new units of analysis that simultaneously capture the national-level socio-political

contexts and transnational-level human mobility. The conceptual framework and evidences on the re-making of the working class introduced in this paper thus offer both continuities and alternatives to 20th century labor movements and new insights into 21st century social contracts.

## Introduction

Amidst 21st century global economic crises and widespread uncertainty, new social policies that promise to protect certain groups are emerging throughout the developing world. This is not surprising. History has shown that in times of crisis, discontent rises. Sociologists have portrayed that discontent can lead to regime change. To retain their legitimacy in the face of social discontent, states often make significant policy and regulatory changes. In some cases, discontent forces states to enact transformative policy changes of redistribution and security for masses; otherwise, the discontent catalyzes state repression alongside palliative efforts to attain consent from part of the population (Arrighi 1978; Moore 1966; Riley and Desai 2007). In both cases, a new social contract is inaugurated; welfare regimes thus emerge from conflict and collaboration between states and their societies.

Thus, analyses of the new social policies emerging in the contemporary era demand an examination of the state forces from above; furthermore, a thorough understanding of social movements pushing change from below is required. Once we understand exactly who is organizing, resisting, and attaining the state's attention, how, and in what capacity, only then can we truly understand the exact contours of changes taking place in the world's welfare regimes. There is a small, yet useful, literature emerging on states' role in enacting welfare regimes in the global South (Srinivas 2010). In contrast, this paper turns our analytical lens to the other side of the change relationship to expose and analyze a group of social change agents surprisingly under-examined in contemporary research on labor, development, and social change, i.e., informal workers.

Informal workers (variously termed "precarious", "non-standard", irregular", and "flexible") are defined as those who operate outside standard employment relationship and are thus unprotected and unregulated by most labor laws. They have long existed as an essential feature of modern capitalist economies, especially in the global South. Since the 1980s, however, states in the North and South have loosened earlier labor regulations protecting the minority of formal workers, thereby increasing the informal workers' share of the global workforce further. Recent scholarship on neoliberal policies eclipsing labor protections have increased the attention to informality's role in facilitating economic growth. However, informal workers are usually portrayed in recent literature as victims, shorn of agency (Davis 2006; Harvey 2005). Labor movements designed to protect workers are assumed to be dying, since the increasingly informal structures of production are considered to prevent organization (Hyman 1992). Instead of labor movements, scholars argue, "new social movements" are emerging around ethnic and gender identities that fail to enact required transformative changes to ensure political and economic redistribution (Fraser 1995; Omvedt 1993). Thus, informal workers are being written out of the history of contemporary social change.

Recent evidence, however, indicates that informal workers in the global South and North are organizing to defend their humanity and affect change (Agarwala 2013a; Chun 2014; Milkman and Ott 2014). Informal workers' movements challenge the dualist assumptions of identity movements as distinct from class movements, since informal workers organize simultaneously along the lines of class, gender, and ethnicity/race (Agarwala 2018; Romero 1992). Ironically, the very same political and economic ideologies and practices that have sanctioned informal work since the 1980's have had the unintended consequence



of opening spaces for informal workers to make demands. For instance, capital and states are increasingly relying on informal workers' unprotected (thus, low cost and flexible) labor and recognizing them in policies and statistics. Moreover, identity-based movements' struggles for recognition have increased states' attention to vulnerable genders, races, and ethnicities—many of whom work in the informal economy. These trends raise important questions regarding the political and economic conditions under which informal workers do/ do not capitalize on this opportunity to demand new protective policies, whether and how they organize across national contexts, the varying roles they play in shaping social policies, and the extent to which they succeed or fail.

Drawing from an ongoing cross-national comparative project of informal workers' movements across eight countries of the global North and South, this study offers an initial framework on contemporary trends in informal workers' movements. These movements are currently at an infant yet crucial stage; they should thus not be written off prematurely. This is the stage Peter Waterman captured when he first conceptualized the term "social movement unionism" (SMU), i.e., the stage of mobilizing and identifying people under a common frame, one that precedes the attainment of legal rights, and that was equally important to 20th century workers' movements. SMU has elicited a lively debate on its definition and relevance (Langford and Rahman 2010). This paper focuses on one aspect of SMU—i.e. mobilization. Specifically, our findings suggest that informal workers today are mobilizing populations often excluded from 20th century labor movements. These populations include workers operating within non-standard employment relationships (such as contract-based construction workers and self-employed domestic workers), within non-standard workspaces (including the street, private homes, and unregistered workshops), and socially vulnerable groups (such as women, ethnic and racial minorities, and immigrants). By mobilizing these groups along class and social identity lines, informal workers are fighting to expand current definitions of "workers" and "employers" to include a larger and more diverse range of people, relationships, and occupations.

The framework offered analyzes informal workers as change agents and helps to acknowledge the dynamic, relational nature of workers' movements across time and place, enabling the re-incorporation of "workers" in conversations regarding new social movements and social policies. 20th century workers' movements also began with a version of SMU. However, their primary victory (i.e. protected and regulated work) invoked a response from employers (i.e. employing unprotected, informal workers instead) that led to a rebirth of alternative workers' movements and a consequent return to SMU. Today, the most fervent alternative worker's struggles in the contemporary era are expanding among the most degraded group of unprotected workers. We are not, therefore, witnessing an era of the "end of labor politics" or the beginning of "new social movements. Rather, this is an era of a remaking of the working class. This re-made working class offers both continuities and alternatives to 20th century labor movements and new insights into 21st century social contracts.

Finally, my findings indicate that this potentially transformative mobilization stage among informal workers is spearheaded by workers of the global South (including those living in the South and those who have migrated to the North). Despite their heterogeneity, these workers share remarkable commonalities in (1) the types of work they are engaged in and (2) the types of struggles they are launching. It is thus argued that these commonalities are not geographically bound in the contemporary era, but are bound to a group of people that is mobile. Studies on contemporary social movements thus must expand to include new units of analysis that simultaneously capture national-level socio-

political contexts and transnational human mobility. Only then can we understand varieties and continuities in 21st century social contracts across national contexts.

The paper is further organized as follows: Section 1 examines why informal workers have been so absent in literature regarding social change and the consequences of this omission. Section 2 offers a definition of "informal workers." Section 3 analyzes the impact of recent neoliberal policies on informal workers. Section 4 examines key actors and institutions and the primary strategies and demands underlying contemporary informal workers' movements across eight countries. This section showcases the resulting laws, regulations, and programs affecting the political, economic, and social conditions of informal workers. Key characteristics of informal workers' movements identified in the movements across these eight countries can potentially shape a new social contract involving informal workers. Thus, a framework of questions is presented to help incorporate informal workers into analyses of contemporary welfare reforms and regimes.

## **Shifting our Gaze on Social Change**

Sociologists have long argued that social movements affect political change (Moore 1966). Perhaps the most studied social movement of our time has been the industrial labor movement and its effects on modern welfare regimes (Rueschemeyer, Stephens, and Stephens 1992). Before the spread of 20th century regulations formalizing labor rights, all labor was "informal" or unprotected and unregulated. This informal labor demanded, formulated, and, in some cases, governed early-to-mid-20th century welfare policies designed to recognize workers, regulate working conditions, mitigate exploitation, and protect workers' dignity and human rights (Thompson 1966). While countries varied in their levels of implementation of labor regulations during this period, they shared an "expressed" commitment to formally recognize labor under law, hold states responsible for the enforcement of labor protection, and ensure that capital de-commodified workers' productive and reproductive labor through minimum wages, job security, work contracts, health care, and old-age benefits (Esping-Anderson 1990). This commitment was more than just a rhetorical fluff. It gave labor the seed of power, the confidence, and the "legal right" to make welfare demands vis a vis the state, employers, and larger public.

However, it was within the wake of these "victories" for labor rights that scholars and activists examining social change and development have shifted their focus to a particular segment of the working class—formal workers now legally entitled to the protections and regulations that all labor fought hard to attain. Those who remained informal and unregulated were no longer highlighted as "agents" of social and political change. Instead, they were (and often still are) assumed to be unable to organize, since informal employment disperses the site of production through home-based work, complicates employer-employee relationships through multiple sub-contracting arrangements, and atomizes labor relationships by eliminating the daily shop floor gathering of workers (Berger and Piore 1989; Gugler 1991; Hyman 1992).

This omission of informal workers in analyses of social change is problematic for several reasons. First, assumptions that informal workers are structurally unable to organize fly against the empirical truth of history; as noted above, it was these workers who established the concept of "formal workers" by fighting for 20th century labor regulations (Thompson 1966). Second, the theoretical basis for these assumptions are weak, since class politics must be examined as a dynamic social relationship (Agarwala 2006). In a system where capital and labor are bound to each other in a simultaneously co-dependent

and competing relationship, both groups will constantly innovate to protect their interests. Capital will find new ways to exclude or exploit labor to expand profits, while labor will fight de-regulation and commodification to protect their rights (Marx 1976; Polanyi 2001). Given that informal labor is involved in capitalist production, there exists no theoretical basis for assuming that informal labor will not seek innovative sources of power to protect their humanity.

Third, by omitting informal labor from analyses of social change, the understanding of the forces of labor in capitalist economies—including informal labor, formal labor, and the relationship between the two—stands weakened. Despite the labor movement's impressive strides in attaining labor regulations worldwide, the vast majority of the world's workers remained informal or excluded from these regulations, throughout the 20th century. This exclusion was no accident. Capital has long used flexible, low-cost informal labor to subsidize its minority of protected workers (Lenin 1939; Luxemburg 1951). Furthermore, formal workers' movements have benefitted from the exclusion of informal workers. Formal labor, informal labor, and capital are thus embedded in a complex social relationship of interdependence within capitalist production; a complete analysis of labor and capitalist production must include all actors.

Finally, seeing formal workers as the only potential change agents (among workers) has forced a misreading of contemporary capitalism as devoid of class politics since the 1980's. Despite early development theories predicting an eventual fall in the share of informal workers and a concurrent rise in the share of formal workers (Lewis 1954), the share of informal, unprotected workers in rich and poor countries has risen since the 1980's (ILO-WIEGO 2013). Since informal workers are assumed unable to organize, their rising share has been equated to the demise of workers' movements. Many have mourned the loss of dignity among the world's workers (Davis 2006), highlighting the role that contemporary neoliberalism plays in exacerbating workers' poverty (Harvey 2005) and warning against potential dangers of a swelling, disorganized precariat (Standing 2011). Failure to examine informal workers as potential change agents has thus led to an incomplete analysis of processes through which new welfare regimes are forming to affect workers worldwide.

Instead of class, scholars since the 1980's have highlighted the rise of "new social movements" (NSM), featuring interest-based movements on (among others) environment and poverty and identity-based movements organized by gender, caste, religion, or ethnicity (Touraine et al. 1983). In recent years, scholars have depicted these movements in the global South as budding "counter movements" of resistance to Neoliberalism. Resurrecting a version of Karl Polanyi's (2001) predictions that market fundamentalism will catalyze people to protect themselves against commodification, scholars have showcased the rise of migrant protests for access to social rights in China (Friedman 2014), community protests for service delivery in South Africa (Hart 2002), caste-based movements for equality in India (Omvedt 1993), immigrant movements for new definitions of citizenship in the US (Fine and Meyer 2013), and gender movements for democracy in Tunisia (Charrad 2001).<sup>1</sup>

While this recent literature has been instrumental in illustrating the discontent expressed even in the face of rising poverty under neoliberal, globalized production structures, it has been less helpful in providing a dynamic framework on class or illuminating the understanding of informal workers as change agents. Oftentimes, these NSMs are analyzed relative to formal workers' movements. Some celebrate that the NSMs' ability

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<sup>1</sup> Few have examined Polanyi's prediction that counter-movements also include fascist movements.

to offer women and ethnic minorities a promising alternative to the workers' movements that grew in the first half of the 20th century that often excluded minority genders and races (Charrad 2001). Others critique NSMs for being "alienated," "cellular," and "fragmented" (Chatterjee 1993; Chatterjee 2006; Friedman 2014). Even the media repeatedly notes the "limited" impact recent NSMs have had on policy (Economist 2015). These critiques are sometimes posed in contrast to the more structural impacts of 20th century workers' movements; otherwise, they are posed as consistent with problems faced by 20<sup>th</sup> century formal workers' movements.

In both cases, these analyses frame NSMs that resist deleterious forces of neoliberalism as distinct from class-based movements, despite the fact that NSMs are often spearheaded by poor (informally employed) workers. Focusing exclusively on the non-class identities used to organize NSMs, the current literature ignores the central relationship of labor exploitation in modern neoliberal economies and omits an important segment of workers as potential contributors to transforming the contemporary social contract. Thus, we know surprisingly little about how poor workers are affecting change today. Additionally, assessments of NSMs successes and failures are often made relative to formal workers' 20<sup>th</sup> century movements, which have had the advantage of over a century of experience. NSMs are thus often written off prematurely, and contemporary social contracts are misread as merely a product "from above."

To escape these traps in the current literature on social change, we must revisit the analytical boundaries around present definitions of class, identity, and social movements. Only then, can we "see," let alone analyze, informal workers' movements from below and their impact on social policies from above.

## **Defining "Informal Work"**

Scholars have long debated the meaning of informal work and the reasons for its existence (Bromley and Gerry 1979; Rakowski 1994). An attempt to distinguish the informal economy from the formal economy underlies such debates, which has come to typify advanced, industrial modernity (Agarwala 2009). It is thus unsurprising that definitional debates on informality are more advanced in the global South, where scholars, labor activists, and policy makers have been grappling with the simultaneous presence of informal and formal labor as a central feature of their modern economies for decades.

In the global North, recent scholars and activists have popularized the term "precarious work." Some define "precarity" as a "continuum" comprised of four criteria: the degree of certainty of continuing employment, control over the labor process, degree of regulatory protection (through unions or laws), and income level (Cranford, Vosko and Zukewich 2003; Rodgers 1989). Guy Standing (2011) famously defined "the precariat" as a social category comprising of people lacking seven forms of labor security: labor market security, employment security against arbitrary dismissal, job security and access to upward mobility, work security or protection against accidents, illnesses, and arduous working conditions, skill reproduction security, income security, and representation security. While these definitions are useful in illustrating specific features of precarious work, they are too disparate to operationalize. More importantly, since they do not embed the concept of precarity within larger socio-economic structures, they lend fewer insights into why precarity exists in the first place.

In contrast, scholars drawing from the global South offer definitions that are more simple, operational, and analytically rigorous. This scholarship has favored the term "informal work."<sup>2</sup> Since the 1980's, these scholars have highlighted the "social relationship" between labor, capital, and the state, emphasizing the role of regulation. Portes, Castells, and Benton (1989), for example, drew on Latin America to define informal workers as those engaged in producing and providing legal goods and services, but who nevertheless operate outside labor, health, and financial regulation. Similarly, Jan Breman recently reiterated his earlier work on South Asia to define informal work as "a type of waged employment thoroughly flexibilized and unregulated by public intervention" (Breman and van Linden 2014, 926). Underlying Breman and van Linden's informality is a short list of features including part-time, flexible jobs; low wages and decreased secondary benefits; an increase in outsourcing and self-employment; irregular work days (lengthened and shortened); and relaxed controls on work conditions.

These definitions, focusing on workers' relationships to regulation, enable us to analyze informal workers' relationships to other economic actors, such as the state, formal workers, and employers. As Vladimir Lenin (1939) and Rosa Luxemburg (1951) famously illustrated, informal workers are not a remnant of a feudal past or a temporary step in the transition to a capitalist future. Instead, the informal economy is a necessary subsidy to the growth of modern, formal capitalist economies. Under imperialism, Europe drew on alternative modes of production (such as pre-capitalist, artisan, feudal, and petty-bourgeois) in colonies to secure raw materials for growing manufacturing structures. In addition, class struggles that increased European wages forced European capitalists and formally protected workers to rely on the colonies' cheap, flexible, informal workforce for low-end manufactured goods and services. Following independence, the political and social institutions enshrined throughout much of the developing world continued to ensure that informal workers absorbed the formal economy's cost of low-end production and labor reproduction by forsaking benefits or minimum wages. For instance, informal workers in Bogotá's shoe-making industry worked as subcontractors for formally regulated firms in Colombia (Peattie 1987). Working in the privacy of their homes or unregistered workshops, they mitigated employers' overhead costs (Moser 1978) and helped them and states to constrain the expansion of a costly, protected formal working class (Portes and Walton 1981). Like formal labor, informal labor thus performs a crucial function in capitalist growth; however, unlike formal labor, informal labor is not regulated.

Highlighting the delineation between the regulated and unregulated and exposing interdependencies between informal and formal workers, the state, and employers, this paper uncovers the structural reasons for the continued growth of the informal economy under modern capitalism. Informal work "fosters" growth. Furthermore, an important advantage to the regulation-based definition, informal work enables the inclusion of informal workers in rural and urban sectors, operating within pre-capitalist and capitalist systems. Again, they are often interdependent. Finally, this definition avoids making subjective claims on the informal economy's "traditionalism" (Portes and Haller 2005). This is an important corrective to 1970s' modernization literature, when scholars first highlighted informal work, but viewed it as a temporary, pre-capitalist waiting room (comprising mainly of self-employed entrepreneurs) that would be eliminated as workers were absorbed into the modern, urban, formal economy (Harris and Todaro 1970; Hart 1973). Moreover, the regulation-based definition makes no subjective claims on the informal economy's "creativity," which is an important corrective to the recent neoliberal

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<sup>2</sup> There is no consensus on the distinctions between "precarious" and "informal." This paper has used the terms interchangeably here.

development literature that has celebrated informal work as a solution to overly regulated, neutered markets (De Soto 1989).

An important drawback to the regulation-based definition, however, is that it does not accommodate contemporary informal workers' efforts to establish "new" regulations of protection. As is detailed below, informal workers worldwide are launching alternative labor movements to demand protections within their informal work status. Thus, although they are attaining some protective regulations, they are still identifying as "informal." This paper thus qualifies the regulation-based definition to specify that informal workers are those not regulated or protected by the "standard employment relationship" (SER) defining formal workers (Agarwala 2013a).

Existing labor laws generally aim to fight labor appropriation, or the relationship of exploitation, within the narrow confines of a legally recognized employer-employee relationship or SER (Wright 2002). However, it is the "non-standard" employment relationship that makes informal workers appealing to capital, distinguishing them from formal workers. To avoid labor regulations against exploitation, capital merely complicated, and thus hid, the employer-employee relationship in two ways. First, capital hired "contract" or "casual" workers, directly involved in capitalist production, but hired through sub-contractors to avoid visibility, regulation, and protection. Contract workers' principal employers can be small, unregulated enterprises or formally registered companies, such as Honda or Levis. These workers work in their homes, unregulated work sheds, or on the factory floor next to formal workers.

Second, capital relied on "self-employed" workers. Such workers are owners of small, unregulated businesses that provide cheap inputs for capital production (such as auto-parts, transport, or products manufactured on order) and goods and services to middle and upper class capital owners (such as cleaning, elderly care, gardening, and waste collection) and to low-wage workers (such as food, clothing, and haircuts). Many countries define "formal" employment by enterprise size, thereby excluding from labor protection self-employed workers (who own small enterprises) and workers in small enterprises. In contexts where contract workers are protected under law, employers avoid regulation by claiming they "buy" their finished products from a self-employed worker, rather than a hired contract worker, though the product is ordered and designed by the employer. In these cases, self-employed workers resemble mislabeled contract workers. They work in their own homes, employers' homes, or in public spaces, like the street.

Together, contract and self-employed workers are referred to as "informal" or "precarious" workers. Both groups make legal goods and services. Yet neither have a legal labor contract. Therefore, informality features non-standard employment relationships, which, by definition under most existing labor laws for those in standard employment relationship, are unregulated. Most informal workers operate in vulnerable working conditions with low incomes. Today, they can be found in all sectors of the economy, including agriculture, manufacturing, construction, and services.

Since several workers simultaneously operate as formal workers and moonlight as informal workers, some might question the usefulness of the distinction. Why not simply speak of informal vs. formal "work" or "sectors," rather than "workers?" Indeed, as is shown in the following section, early discussions did focus on the "work," rather than on "workers." However, the distinctions between informal and formal work were found to be as blurry as with workers, since so much informal work takes place alongside formal work, by the same employer, sometimes on the same shop floor. Moreover, informal

workers are purposefully articulating their identity in contrast to formal workers. But by defining themselves as workers with diverse employment relationships, they are ultimately re-defining the concept of "all workers" and may eventually erase the need for formal/informal worker distinction.

## Operationalizing the Definition

In 1993, participants of the 15th International Conference of Labor Statisticians (ICLS) marked a historic turning point by finally agreeing that informal workers must be counted in labor force surveys to improve analyses on the modern global economy. An internationally consistent, operational definition of the informal economy was viewed as a first step toward collecting and analyzing data on the subject. The absence of such a definition until then had yielded case studies offering vastly different, sometimes conflicting, conclusions about causes and effects of informal work (Rakowski 1994). To address this issue, ICLS participants drafted a definition that was subsequently incorporated into the 1993 System of National Accounts (SNA).<sup>3</sup>

The 1993 ICLS definition, however, was limited by its underlying economic theorization of the informal economy that ignored its social and political relations with the formal economy. The ICLS defined informal economy as "enterprises" that have a low level of organization, little or no division between capital and labor as factors of production, and where labor relations consist of social relationships, not formal contracts. Under this definition, the informal economy comprised only of unregistered or unincorporated enterprises owned by households producing goods and services to generate employment (ILO 1993).<sup>4</sup> This definition omitted, and thus undermined the ability to empirically examine, other growing subsets of informal workers that are crucial to the neoliberal agenda. These include unregulated contractors working for formal companies; workers who move back and forth between, or work simultaneously in, informal and formal employment; and self-employed workers who work alone at home or in multiple locations on the street, whose workplaces are not counted as "enterprises" (Satpathy 2004).

Criticisms against the 1993 ICLS definition spawned a new operational definition of "all" informal workers in terms of their employment status (i.e. casual, self-employed, or regular worker) and the characteristics of their enterprises (i.e. legal status and/or size of the enterprise). Ralph Hussmanns (2002) of the ILO presented the matrix reproduced in Table 1 to outline this broader definition that ensures the inclusion of informal workers in informal and formal enterprises and of regular workers in informal enterprises. This definition thus incorporates economic sociologists' relational definition of the informal economy. Although this newer definition has not yet been incorporated into the SNA, in 2003, the 17th ICLS began using the term "informal economy," instead of "informal sector," to capture informal workers in both informal and formal enterprises.

Drawing on this definition of informal workers—i.e. all those that are unregulated by laws based on the SER—this paper will now examine the rise of informal work in the contemporary era of neoliberalism and globalization.

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<sup>3</sup> SNA sets the international statistical standard for measuring the market economy to ensure international comparability. It is published by the United Nations, the Commission of the European Communities, the International Monetary Fund, the Organisation for Economic Co-operation and Development, and the World Bank. The first SNA was established in 1953.

<sup>4</sup> Production and household expenditures in these enterprises are usually combined and financial accounts are rarely maintained.

**Table 1:** Hussmanns Matrix on Informal vs. Formal Workers

Production units by type	Jobs by status in employment								
	Own-account workers <sup>(c)</sup>		Employers		Contributing family workers	Employees		Members of producers' cooperatives	
	Informal	Formal	Informal <sup>(d)</sup>	Formal	Informal	Informal	Formal	Informal	Formal
Formal economy enterprises					1	2			
Informal economy enterprises <sup>(a)</sup>	3		4		5	6	7	8	
Households <sup>(b)</sup>	9					10			

Note: Table reproduced from Hussmanns (2002).

<sup>(a)</sup> Informal enterprises are distinguished from formal enterprises based on (1) the size of employment and/or (2) the registration status of the enterprise and employees. Limits are defined on a national basis. Informal enterprises exclude households employing paid domestic workers.

<sup>(b)</sup> Households produce goods for their own final use and employ paid domestic workers.

<sup>(c)</sup> Own-account workers own and operate an enterprise alone or with members of the same or an additional household. They may employ family members and employees on an occasional basis.

<sup>(d)</sup> Informal employers may employ one or more employees on a continuous basis.

- Dark grey: Jobs that do not exist
- Light grey: Jobs that exist, but are not informal
- Cells 3-8: Employment in the informal economy
- Cells 1-6, 8-10: Informal employment
- Cells 1, 2, 9, 10: Informal employment outside the informal economy



## Informal Workers and Neoliberalism

When examining informal workers' movements globally, it is important to recognize that informal labor is not a product of neoliberalism. Capitalist employers have avoided labor regulations against exploitation by simply hiring workers through unregulated sub-contracting arrangements since the early 1900's. Although the struggles and social contracts of the 20th century did much to improve the lives of millions of workers, they failed to include most of the workforce that capital employed outside the purview and protection of legal regulations. By hiding the employment relationship to avoid regulation, capital could exploit a mass, cheap, and flexible informal labor force, which in turn could subsidize the minority of protected formal workers. Informal workers are thus a significant and structural feature of capitalist accumulation and have always existed, especially in the global South (Agarwala 2013a).

What is new under neoliberalism, however, is the increased growth of the relative share of informal workers. Particularly striking has been its growth in the global North (as well as the South). In South Asia, Southeast Asia, and Africa (excluding South Africa), the informal workforce represents 60–80% of the non-agricultural workforce; in Latin America, it represents 40–60% (ILO-WIEGO 2013). Case studies from Japan, the United States, Canada, and Europe illustrate similar trends of a swelling informal workforce, coupled with a shrinking formal workforce (Bakan and Stasiulis 1997; Boris and Klein 2012; Gottfried 2015; Hatton 2014; Wills 2009).

How can we explain this unpredicted global rise in informal work? Much has been written about the ideological forces of "neoliberalism" and "globalization" urging states worldwide to deregulate markets and absolve capital of any responsibility for labor's welfare (Harvey 2005). Firms claim that to remain competitive in an increasingly global market, they must hire additional informal workers not bound by legal recognition, costly labor benefits, and constraints of job security. In response to these claims, governments (to varying degrees) have pulled away from their responsibility to enforce labor regulations and enfold all workers into the protected, regulated sphere. More so than before, the public, capital, and states are sanctioning informal labor, despite its operations outside state laws.

Within this framework of decreased restrictions on employers, employment has grown in the global South over the past two decades (alongside increased dispossession). East Asia and South Asia have lower unemployment levels (at 3–4%) than the global average of 5–6%.<sup>5</sup> Despite a slight increase after the 2008 crisis, unemployment levels are lower than in 1991. In Latin America and Sub-Saharan Africa, unemployment levels are higher than the global average—which is being pushed down by Asia—at 6–9%; however, there has been a steady decline since 2000 in Sub-Saharan Africa and since 2003 in Latin America.<sup>6</sup> Additionally, labor productivity throughout the global South has increased in the last two decades, especially in services (ILO 2013).

However, the picture is not all rosy. Poverty figures suggest that expansion in work and improvements in labor productivity in the global South can be attributed to decreased real wages and worsened work conditions. Although the number of people living in extreme poverty (less than US\$1.25/per day) has dropped in recent decades—which is consistent with expanding employment—the number of people living in "near poverty" (between \$2

<sup>5</sup> Youth unemployment in these regions remains high.

<sup>6</sup> Although there was a brief increase in 2008, Latin America had a quick recovery.

and \$4 per day) has increased by 142 million in the past decade, raising the total to 661 million people (ILO 2013). In other words, although employment is expanding, more of the world's workers are operating in degraded conditions, under a cloak of increased invisibility, with little pay and intense working days. Enabling this trend is a fading respect for the 20th century social contract, where even the expressed commitment to mitigate labor exploitation is waning. Herein lies the second failure in 20th century social contracts—they have proven to be unsustainable.

Therefore, even more important than the growth in relative "size" of the world's informal workforce in recent decades has been the decline in the relative "power" of the world's workers to protect themselves against labor appropriation. Neoliberalism has altered the "politics" around informal work. The challenges facing labor today do not necessarily mean that labor politics is dead. Rather, it means that worker organizations' terms, strategies, and members have changed.

In the following sections, I illustrate informal workers' organizing efforts today, drawing on my own research in India and the initial findings of a comparative study conducted by a new global network of labor scholars and grassroots organizations studying informal and precarious worker organizing across Brazil, Canada, China, India, Mexico, South Africa, South Korea, and the US.<sup>7</sup> Indian informal workers have been organizing since the 1970's and thus provide an important lens into one set of fairly developed movements. However, we know that social movements are context specific; indeed, India's colonial history bred a powerful, anti-colonial movement among workers and its post-colonial commitment to democracy bred active civic engagement. The cross-country examination thus provides clues to the similarities and differences in informal workers' movements across country specifics.

## **Informal Workers' Organizations in India**

Recent evidence has shown that informal workers are indeed organizing to defend their humanity despite vulnerabilities, contrary to popular belief that informal structures of production prevent organization.

I have analyzed elsewhere how informal workers in India are advancing their rights through alternative workers' struggles (Agarwala 2013a). Rather than fighting unregulated, flexible production structures and demanding traditional work benefits, such as minimum wages and job security, from employers, Indian informal workers are using their power as voters to demand state responsibility for social consumption or reproductive needs, such as education, housing, and healthcare.

To institutionalize this strategy, Indian informal workers are fighting to enact and implement an innovative institution called "Welfare Boards." These are tripartite institutions implemented by the state or central government and are funded by governments, taxes on employers, and membership fees from workers. In return for being a member of a Board, workers are entitled to a variety of welfare benefits. Currently, welfare boards in India are occupationally based; benefits differ according to trade. Welfare boards have become an increasingly popular protection mechanism among

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<sup>7</sup> The Experiences Organizing Informal Workers (EOIW) is a global network of labour scholars and labour organizations that seek to expand knowledge of new organizing efforts taking place among informal and precarious workers around the world. The author is a founding member of EOIW.

informal workers' organizations in India. Their success (which has been mixed) depends on the political and economic context in which they are implemented. Those operating under competitive populist parties aiming to implement neoliberalism have ironically been more successful than those operating under a single, hegemonic party rule, even when that party is left wing (Agarwala 2013a).

As a result of this strategy, Indian informal workers are pulling the state into playing an even more central role than it did in formal workers' movements. Interestingly, doing so has not precluded Indian informal workers from leading movement efforts at the transnational level. For instance, it was a leading informal workers' union in India, the Self Employed Women's Association (SEWA), that joined forces with a multi-lateral organization, the ILO, and the most legitimate producers of knowledge in the North, Harvard University, to define and operationalize the concept of informal work and revise national-level labor force surveys to better capture informal workers (Agarwala 2012).

Moreover, informal workers are forging a new class identity that connects them to the state through social consumption needs and that attains state recognition for their work, even in the absence of employer recognition. This strategy has enabled these workers to address their gender identities by recognizing their productive and reproductive needs (Agarwala 2013c). This recognition comes in the form of a "worker identity card" that provides official state recognition for their work, even in the absence of employer recognition.

It should be noted that although getting welfare boards in place are central to many Indian informal workers' movements, efforts to reform wage rules are also ongoing. In several cases, informal workers are fighting the state to alter minimum wages from time-based to piece-rate, to better reflect contemporary production structures. Moreover, informal workers' movements among self-employed workers are forming their own cooperatives and companies to ensure the security of their livelihood (Agarwala 2015).

To attract the attention of elected state politicians to enact the welfare boards, identity cards, and redefined minimum wages, informal workers utilize a rhetoric of "citizenship" rather than labor rights. These workers are organizing at the neighborhood level, rather than on the shop floor, to mobilize the dispersed, unprotected workforce without disrupting production. Given the unregulated nature of their work, it may seem ironic that these workers are trying to strengthen their relations with the state. Yet, this movement is developing across states and industries in India—thereby reflecting the state's interest in informal work. Furthermore, these movements reiterate that the definition of informal workers applies to the circumstances of their work, and not to their politics, which may indeed be "formal" or officially registered.

## Informal Workers' Organizations Globally<sup>8</sup>

Recent scholarly evidence has shown that Indian informal workers are not unique in organizing. Retail store workers in South Korea, street vendors in Mexico, and restaurant workers in the United States are launching alternative movements to challenge neoliberal policies (Chun 2009; Cross 1998; Fine 2006; Milkman and Ott 2014). These seemingly disparate case studies call on us to examine the themes and relationships that may be

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<sup>8</sup> The findings in this section draw from the following: (Mosoetsa 2012, Ngai og Xin 2012, Agarwala 2013, Fine og Milkman 2013, Garza 2013, Salas og Kerr 2013, Chun 2014, Vosko et al. 2014)

emerging among informal workers' movements across national contexts, to better examine how 21st century social contracts will be shaped "from below."

The following section depicts notable trends found among informal workers' movements across country contexts.

### ***Informal Workers are redefining the category of "workers"***

Perhaps the most striking feature of current informal workers' struggles is that across countries, these workers are mobilizing and organizing demographic and ascriptive groups previously excluded from formal workers' movements. Particularly, informal workers are organizing women and migrant workers—both of whom have long been deemed the most vulnerable and "unorganizable" workers. They are not being organized at the exclusion of men and/or native workers; indeed, men and native workers are growing in the informal sector. However, the fact that women and migrant workers are being included at all in informal workers' struggles implies that informal workers are redefining and expanding the categories of "work" and "workers," which has important implications on the nature and focus of their demands and strategies and on future social policies.

Informal work has long been known to employ a disproportionate share of female workers. Therefore, by recruiting female members and leaders, informal workers' movements are directly challenging the use of gendered stereotypes to guarantee a "docile" workforce that is considered to not need or demand job security or high wages. As a result of their focus on women workers' rights and their disproportionate share of women leaders, informal workers' struggles have organized workers in traditionally "feminized" occupations long unorganized. These include domestic work (in the United States, South Africa, China, Mexico, South Korea, and India), street vending (in South Africa and Mexico), homecare work (Canada and South Korea), and manufacturing in apparel and tobacco (Brazil and India). In some countries (notably China, South Korea, India, and South Africa), women workers have developed networks and organizations designed exclusively to address women's issues; these include the Chinese Working Women Network (CWWN), the Korean Women's Trade Union (KWTU), the Self-Employed Women's Association (SEWA) in India, and South African Self Employed Women's Association (SASEWA). CWWN and KWTU provide legal counseling services. CWWN, SEWA, and SASEWA provide health services, training on occupational health, and a women workers' cooperative. Moreover, SEWA provides micro-banking facilities, child-care services, and a union for women workers in the informal economy. All four groups have emerged due to male domination found in traditional unions.

Additionally, apart from mobilizing previously excluded occupations, informal workers' focus on women workers and female leadership has altered demands from those of the 20th century formal workers. Specifically, informal workers' struggles (across national and industry contexts) place a larger focus on reproductive rights. For instance, in India, South Korea and the US, informal workers' have fought to de-commodify not only the productive costs of labor, but the reproductive labor costs that women workers have disproportionately borne without compensation (Agarwala 2013c; Milkman and Terriquez 2012 ). Such efforts have resulted in welfare benefits, such as health and education benefits, housing, and child care, and assets directly in women's hands. Thus, informal workers are highlighting intersections of class and gender through means that formal workers' movements or feminist movements have not used previously.

Furthermore, informal workers have mobilized migrant workers. Increasingly, employers have turned to international and domestic migrants to staff informal jobs. As with women, migrant workers have long been considered vulnerable and "unorganizable" by labor activists and thus easily exploitable by employers. Informal workers, however, are challenging these notions by revising the meaning of "citizenship rights" to extend the past narrow definitions tied to passports. In the US, Canada, and South Africa, informal workers have actively fought for improved rights for immigrant workers from abroad; here, vulnerability is seen tied to a worker's legal citizenship status. Thus, efforts to protect workers advocate for public policy changes to legalize undocumented workers, publicize all labor abuses, and provide direct support services to immigrant workers, including legal aid, leadership training, and popular education. In the US and Canada, these organizations usually operate under the Worker Center model. Notably, in Canada, the United Food and Commercial Workers (UFCW) and the Agricultural Workers Alliance have created ten centers for migrant farmworkers, one of which has provided a path to permanent residency for temporary foreign workers in their collective agreement. In South Africa, these organizations are informal and unregistered, although they are often official members of international networks such as StreetNet.

In China, informal workers have actively fought for improved rights and recognition for rural-urban migrants from within China. Until 2003, these workers were excluded from China's only legal union, the All-China Federal Trade Union (ACFTU). By 2007, four years after the ACFTU opened its doors to migrants, 70 million migrant workers registered as union members. Additionally, migrant workers developed alternative organizations, such as the Migrant Worker Documentary Center (MWDC), which provides legal aid and counsel for labor disputes and overdue compensation, offers a cultural development center, manages an occupational safety network, monitors codes of conduct, collects data on labor conditions, and conducts workshops on local and international labor laws.

### ***Informal Workers are expanding the definition of work***

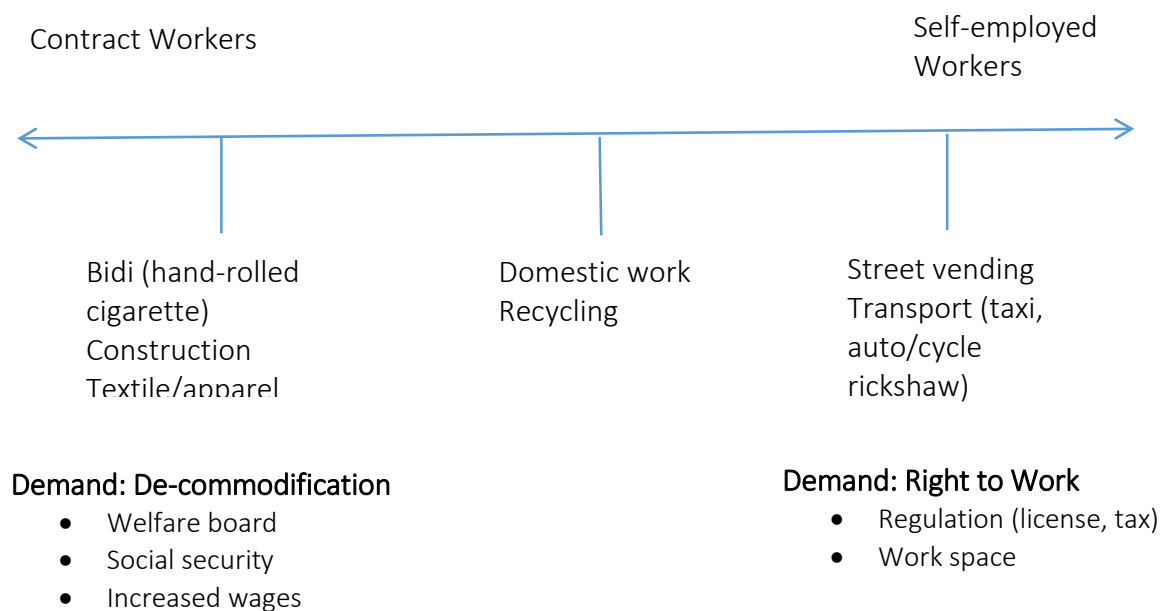
Informal workers across country contexts are organizing occupational categories that have long been excluded from traditional workers' movements. Part of their success can be attributed to their ability to organize the types of workers that staff these occupational categories (i.e. women and migrants). Additionally, informal workers are reorganizing occupational categories whose changing structures of production are demanding new forms of organization. At the comparative level, it is striking to note similarities in occupational sectors that are organizing across countries, despite deep variation in country contexts. Specifically, we find that organization occurs in domestic work, construction, manufacturing, street vending, transport, and waste picking. Findings show that most informal workers' struggles are taking place in urban (or semi-urban), non-agricultural work.

This similarity across sectors in several countries suggests that structures of occupations, regardless of the country context, may play an important role in determining the forms, strategies, and potential for informal workers' organizations. Moreover, it seems likely, that parallel organization of particular occupations is promoted by regional and global occupation-specific networks, such as the International Domestic Workers Federation, HomeNet, and StreetNet, along with some global unions, such as the Building and Wood Workers International, which work with construction workers worldwide.

Another notable trend across occupational categories is that informal workers' demands appear to be correlated with the geography of their workplace. Workers who operate in public spaces—street vendors, transport workers, and waste-pickers—are primarily constrained by antagonistic relations with local enforcement authorities, rather than traditional employers. Their efforts in these occupations thus focus on attaining state recognition for their work through identity cards, securing a right to work by attaining access to public space, and regulating the industry through licenses and taxes to avoid police harassment. In doing so, informal workers are expanding the narrow definition of "exploitation," from employer to employee, ingrained in 20th century social contracts, to include additional axes of exploitation, such as from state to worker. For instance, in the case of waste-picking, municipal governments profit off the underpaid work of informal trash collectors, while the police simultaneously profit from bribes collected from the very same informal trash collectors (Agarwala 2016).

In some contrast, workers operating in private spaces, such as homes, contractor's worksheds, or employers' premises are constrained by the antagonistic relations with employers and are thus demanding economic and social benefits to improve their standard of living. These occupations include domestic workers, construction workers, and manufacturing workers. In some cases, these informal workers call for improved wages and working conditions; in others, they call for welfare benefits. Across all occupational categories, informal workers' organizations supplement collective action strategies against the state and employers with direct services to members.

Furthermore, initial findings suggest that informal workers' organizing strategies may depend on where they sit on the spectrum of informal work—with contract work on one end and self-employed work on the other. Although both groups share several work characteristics, namely that they are not protected or regulated by existing labor laws and live in daily precarity, the structures of their work and their employment relationships differ in ways significant for organizing (see Figure 1). This paper suggests that contract workers on one end of the spectrum of informal work fight for economic and social benefits, such as welfare boards, social security, and increased wages to improve their living standards. At the other end, self-employed workers fight for measures that ensure their right to work without harassment from local authorities through licenses and taxes and access to work space. Moreover, some self-employed workers are fighting to redefine their buyers to whom they sell finished projects "on order," as "employers," despite not having an employment contract. Industries that fall in the middle of the spectrum appear to make both sets of demands. Across the spectrum, informal workers target their demands to the state, employers, and, in some cases (such as transport workers), consumers.

*Figure 1: Continuum of Informal Workers' Movements*

Perhaps most significant, all organized informal workers across occupational categories and employment relations share a "struggle for recognition" of themselves as workers and their occupations as legitimate categories of work. To attain such recognition, informal workers' organizations have educated workers to own and express their own identities as workers and advocated governments to alter their labor force surveys to better capture home-based and other informal work, to include more occupations within the jurisdiction of local labor laws, and to issue worker identity cards to informal workers.

### ***Informal Workers are organizing through a variety of institutions***

A striking feature of informal workers' struggles in the contemporary era is the variety of organization forms that informal workers have utilized to address their needs. These include unions, labor-based non-governmental organizations (NGOs), service NGOs, mutual aid societies, worker centers, community organizations, and cooperatives.

Brazil deserves attention for its success in building cooperatives with government support; South Korea offers an interesting model of regional unions. The US and Canada are notable for their Worker Centers, which fuse elements of labor NGOs, service NGOs, and traditional unions. These organizations at times collaborate with traditional unions and provide services for informal workers and for undocumented immigrants. South Korea's and China's examples of symbolic public dramas through crane protests are unique and fascinating, especially in an age where so many of the world's workers—informal and formal—have made a more pragmatic turn out of fear of losing employment altogether. Finally, India has been especially innovative in launching welfare boards.

Important questions remain as to when these varying forms of organizations can form coalitions versus when they compete for scarce resources, and how the organization type affects workers' success and strategy. Further research needs to examine whether the diversity of organization type is related to country contexts. We should particularly examine which country contexts foment vs. deter organization among informal workers.

For example, although Mexico displays similar political economic patterns as Brazil and India, it offers strikingly fewer examples of informal workers' organizations.

### ***Informal Workers are formulating bridges with formal labor and other social movements***

Another significant characteristic of informal workers' movements has been the innovative ways they have used to establish bridges between labor movements and identity-based social movements (such as those around gender, race and caste). Part of this tendency is due to necessity—in many countries informal workers have no legal right to organize into unions, since they cannot prove their employment relationship. Therefore, they partner with other existing movements that organize around social identities in non-union organizational forms. However, a part of this tendency can be attributed to a mobilization strategy. Informal workers organize marginalized populations who were often excluded from 20th century labor movements. Addressing their needs through identity-based movements that articulate gender and race-based identities has often resulted in higher mobilization rates rather than mobilizing them along class lines, especially in the current anti-labor era.

In several countries, informal workers have joined hands with immigrant and indigenous rights movements, such as in the US, Canada, South Africa, and Mexico. One interesting example is the US-based domestic workers' Caring Across Generations campaign, which links improving pay and working conditions for homecare workers with immigration reform, proposing the creation of special visas for homecare workers to meet the growing demand for homecare work. This campaign not only bridges efforts between informal workers and immigrant movements, it includes the Service Employees International Union; the American Federation of State, County and Municipal Employees; and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). Among street vendors in the US, VAMOS is directly engaged in the immigrant rights movement on behalf of its largely undocumented membership, and participates in marches and protests with that movement. Furthermore, several campaigns in the US have been initiated to help new immigrant workers in construction. In New York, New Jersey, and Texas, these campaigns have been initiated through partnerships between unions and worker centers, including the establishment of new union locals with worker center representation in the leadership. Similarly, Mexican street vendors, from Mexico City's Alameda Central, have combined street vending rights with indigenous rights and preservation of the cultural tradition of selling in public space. In South Africa, faith-based organizations have been assisting immigrants with various services, including job referrals and legal advice.

Faith-based organizations are particularly notable as a locus of partnerships in their own right, as are youth movements. US campaigns aiming to increase publicity on sweatshop conditions in the garment industry have appealed with moderate success to religious leaders. Similarly, in South Africa, faith-based associations in churches and mosques have achieved the greatest success in attracting support among subcontracted and home-based garment workers. Christian organizations in India were among the first to protect low-caste domestic workers. Moreover, South Korea, the US, and China reflect interesting examples of informal workers partnering with student groups.

Contrarily, informal workers in India and Brazil do not appear to be using bridges with social movements as a primary strategy. Rather, informal workers appear to be relying more on unions that expand their demands to include civic and community needs of



citizenship, rather than partnering with another movement that is addressing civic, but not labor needs. Given this trend, an important area for future research will be to identify when and why informal workers choose to build or avoid a bridge or partnership with another social movement.

## Conclusion

This paper aimed to provide a theoretical framework for understanding the political economy of informal workers. Particularly, it offered a new definition of "informal workers" focusing on the mass of workers operating outside the narrow regulations of traditional labor laws, which in turn protect only those operating within the Standard Employment Relationship. Informal workers operate in non-standard employment relationships and are thus unprotected by most 20th century social contracts. However, they remain embedded in complex and inter-dependent social relationships with formal workers, employers, and states. Moreover, they are often regulated by other state laws.

Second, this paper offered a historical and global framework to examine informal workers under neoliberalism. Informal work is not a product of neoliberalism; it has long existed to subsidize and boost capitalist growth, especially in developing countries. However, it has grown over recent years due to the political framework guiding neoliberalism. In the process, informal workers have ironically become a driving force of counter-movements designed to reshape the contemporary welfare state. Findings from examining budding informal workers' movements across eight countries (Brazil, Canada, China, India, Mexico, South Africa, South Korea, and the US) suggest that the world's poorest workers may be mobilizing to catalyze a transformative social process that can potentially reshape 21st century social contracts.

This paper highlights the institutions and organizations that interact with and through informal workers' movements and the laws, regulations and programs affecting informal workers. Informal workers' movements show remarkable commonalities across national contexts. Rather than fighting to be formally recognized through a standard employment contract and protected by employers at the work place (as they did at the turn of the 20th century), informal workers today are fighting to redefine the categories of "workers" and "employers" to include a range of employer-employee relationships and workplaces. By expanding these definitions, these workers are increasing the numbers and diversity of potential beneficiaries of labor rights. Informal workers' movements include women, ethnic and racial minorities, and occupations often excluded from the definition of "workers" protected by 20th century social contracts. Redefining "work" to bring these groups into the fold of workers' movements is not part of an organizational strategy to achieve utopian democracy, as many scholars of SMU have surmised; instead, it is a "mobilizational necessity" due to the failures of 20th century social contracts.

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