

# Organizing the Workers in the Informal Economy – Some Emerging Trends

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# Two Contrasting Models of IRS & Labour Market in India

## Closed Economy Model

- ✓ State-labour-capital social implicit social contract – labour welfare=industrial peace=regulation (labour laws, compulsory arbitration, labour enforcement) in the context of public sector dominated economic planning period roughly up to 1980s
- ✓ Dualistic labour market – organized/unorganized
- ✓ Politics & TU movement nexus = Multiplicity of trade unions
- ✓ Trade Unions' concentration on male, blue collar workers in traditional economic orgn (large factory/mines/plan/public sector)
- ✓ BOTH employers and unionized workers PROTECTED IN THE CLOSED ECONOMY

## Globalization Model

- ✓ Failure of state regulation economic model and embrace of LPG model concretely from 1991 & new role of state
- ✓ Demand for labour market reforms
- ✓ Search for labour flexibility from supply side (aided by technology & communications)
- ✓ Competition for capital from demand side aided globalization tendencies of capital
- ✓ Globalization forces INITIALLY weakened collective institutions [un]wittingly aided by state policies

# Globalization and Employment Relations: Two Perspectives

## Labour De-regulation Perspective

- Globalization enhances competition and competitive pressures MEAN LOWER LABOUR COST
- Flexibility promotes employment & an economic & social “good”
- State should facilitate Flexibility & Promote INVESTMENT
- Investment & not Welfare Expenditure leads to economic and social welfare

## Institutional Perspective

- ✓ Globalization IS NOT ALWAYS BENEVOLENT
- ✓ Its effects have to be mediated through and moderated by **institutional configuration** or else it will **lead to race to bottom**;
- ✓ **LOW LABOUR COST COMPETITION AMONG COMPETING AGENTS NEUTRALIZES COMPETITIVENESS**
- ✓ Capital benefits from high labour standards
- ✓ Labour deregulation erodes rights & economic base for progress (say via effective demand)
- ✓ **LABOUR INSTITUTIONS PROMOTE A JUST & FAIR GLOBALIZATION – WIN-WIN GAME**

# The argument

- Globalization forces prompt the “challenged collective institutions (old and new)” mount **countermovement** to secure RIGHTS & IDENTITY
- ✓ Changes in organizing strategy of conventional trade unions
- ✓ Rise of new organizations of hitherto unorg workers
- ✓ Wider and Sustaining Interface between conventional trade unions
- ✓ Emerging social interface between conventional trade unions and other workers’ organizations
- ✓ Connect with and Entry of global union federations and rising to counter the MNCs (through GLOBAL FRAMEWORK AGREEMENTS)
- ✓ Bursts of conflict transgressing into unrest & violence,
- ✓ Wider struggle agenda (inclusiveness)

# Formal/Informal Employment in India

Sectors	Employment		
	Informal	Formal	Total
<b>2009-10</b>			
Unorganized	385.08	2.26	387.34 <b>(84.16)</b>
Organized	42.14	30.74	72.88
Total	427.22 <b>(92.83)</b>	33.00	460.22
<b>1999-2000</b>			
Unorganized	341.3	1.4	342.6 <b>(86.30)</b>
Organized	20.5	33.7	54.1
Total	361.7 <b>(91.15)</b>	35.0	396.8

# Informality in India – Workers & Firms

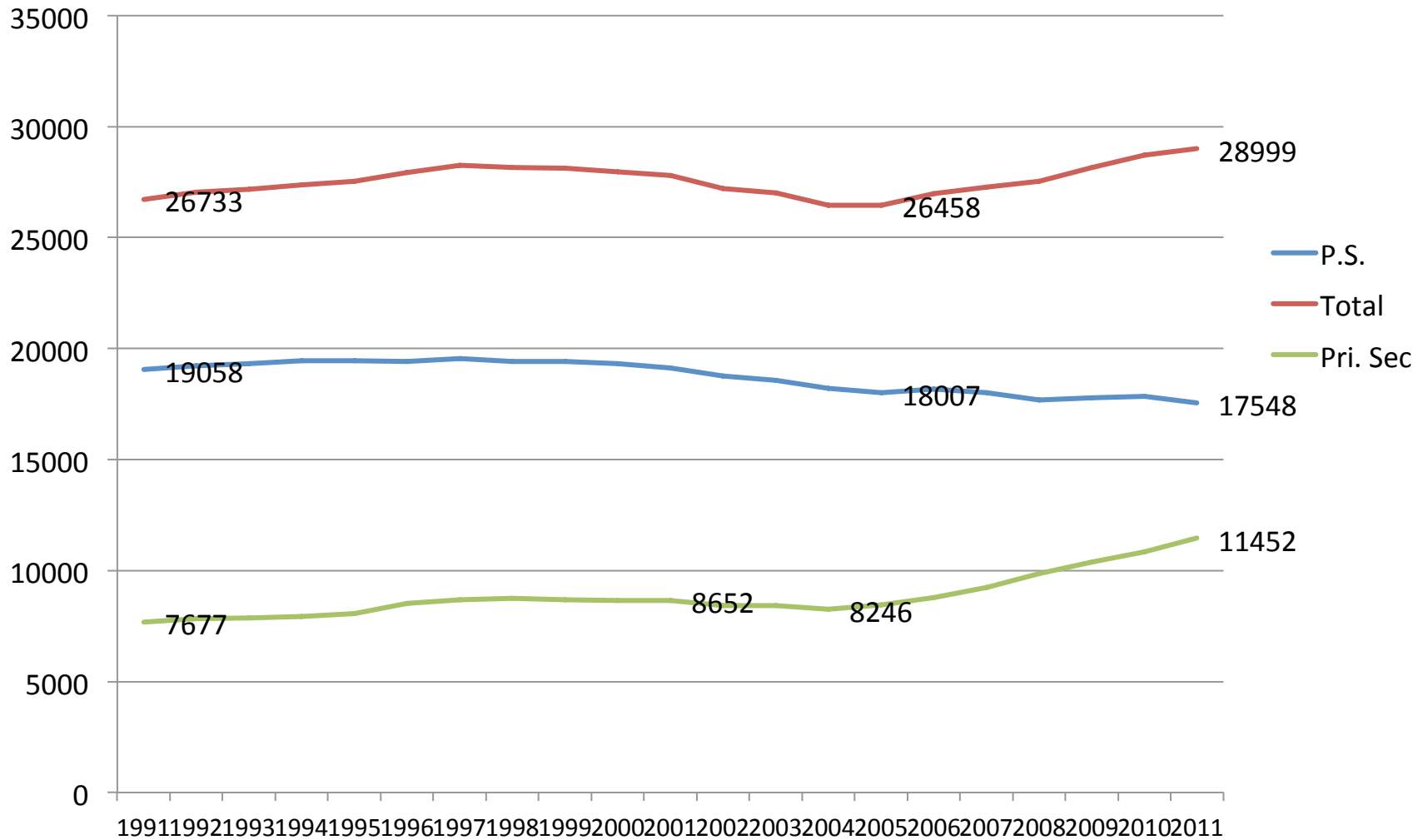
## Distribution of Workers by Status in India

Category	2009-10
Self-employed	232.7 (50.7)
Regular/Salaried Employees	75.1 (16.4)
Casual Labour	151.3 (33.0)

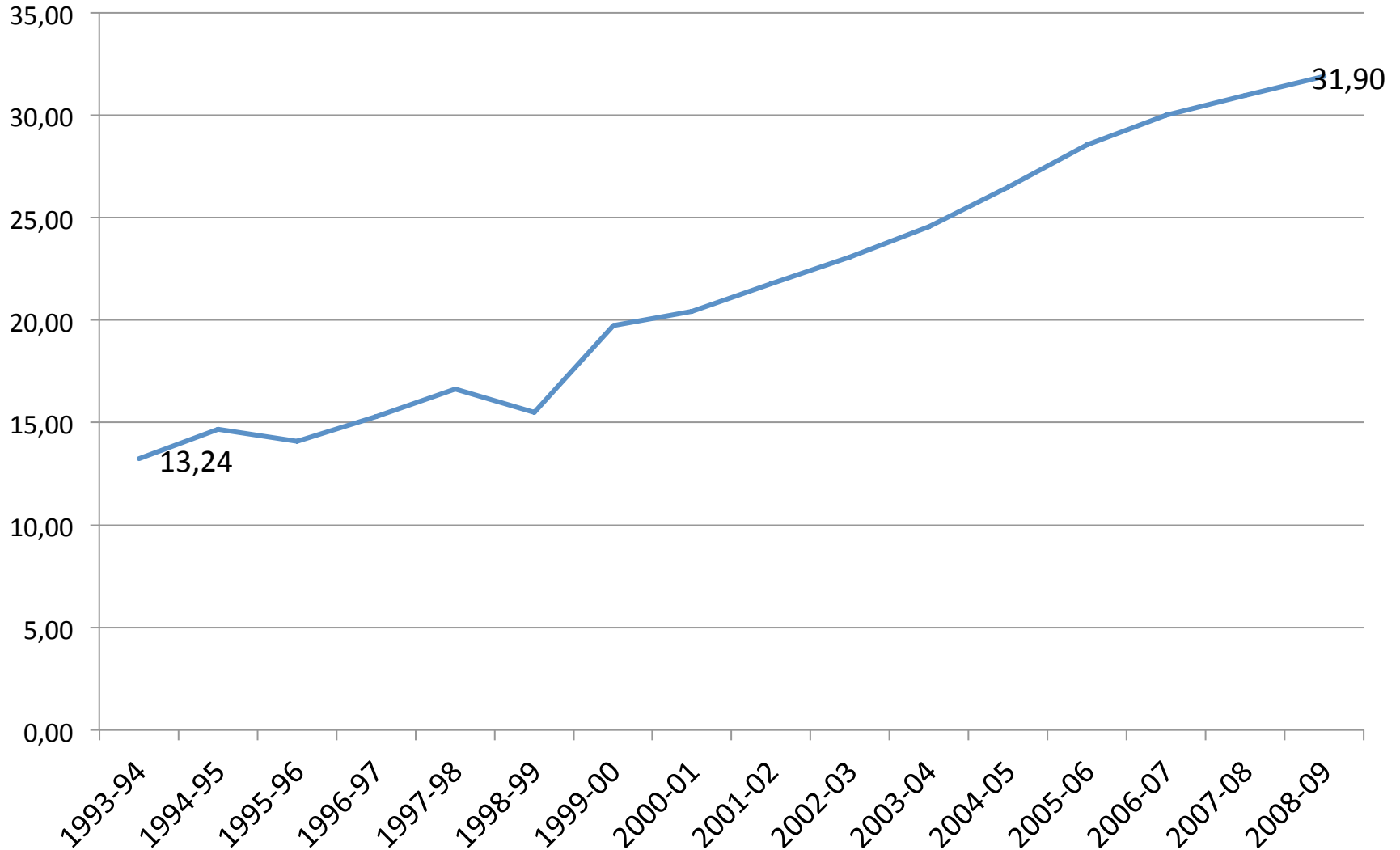
## Formal/Informal by Enterprises in India

No. of Workers in Enterprises	2009-10 No. of Workers (in Millions)	% Share
< 6	148.7	<b>65.6</b>
6-9	23.8	<b>10.5</b>
10-19	15.4	6.8
20 +	38.8	17.1
<b>Total</b>		<b>100.0</b>

# Trends in Employment in Organized Sector in India, 1991-2011

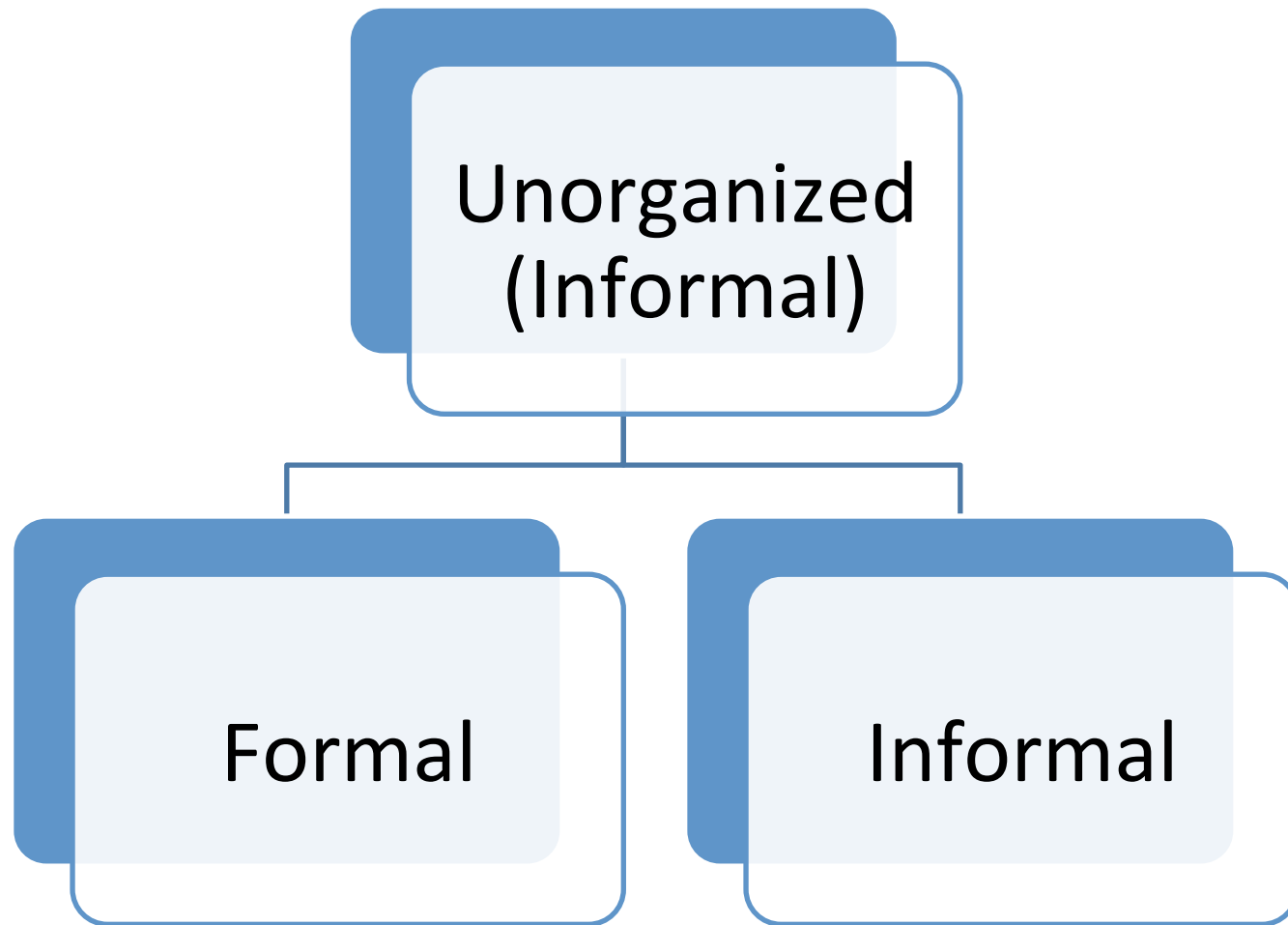


# Share of Contract Workers in Total Number of Workers in Organized Factory Sector India, 1993-94 to 2008-09

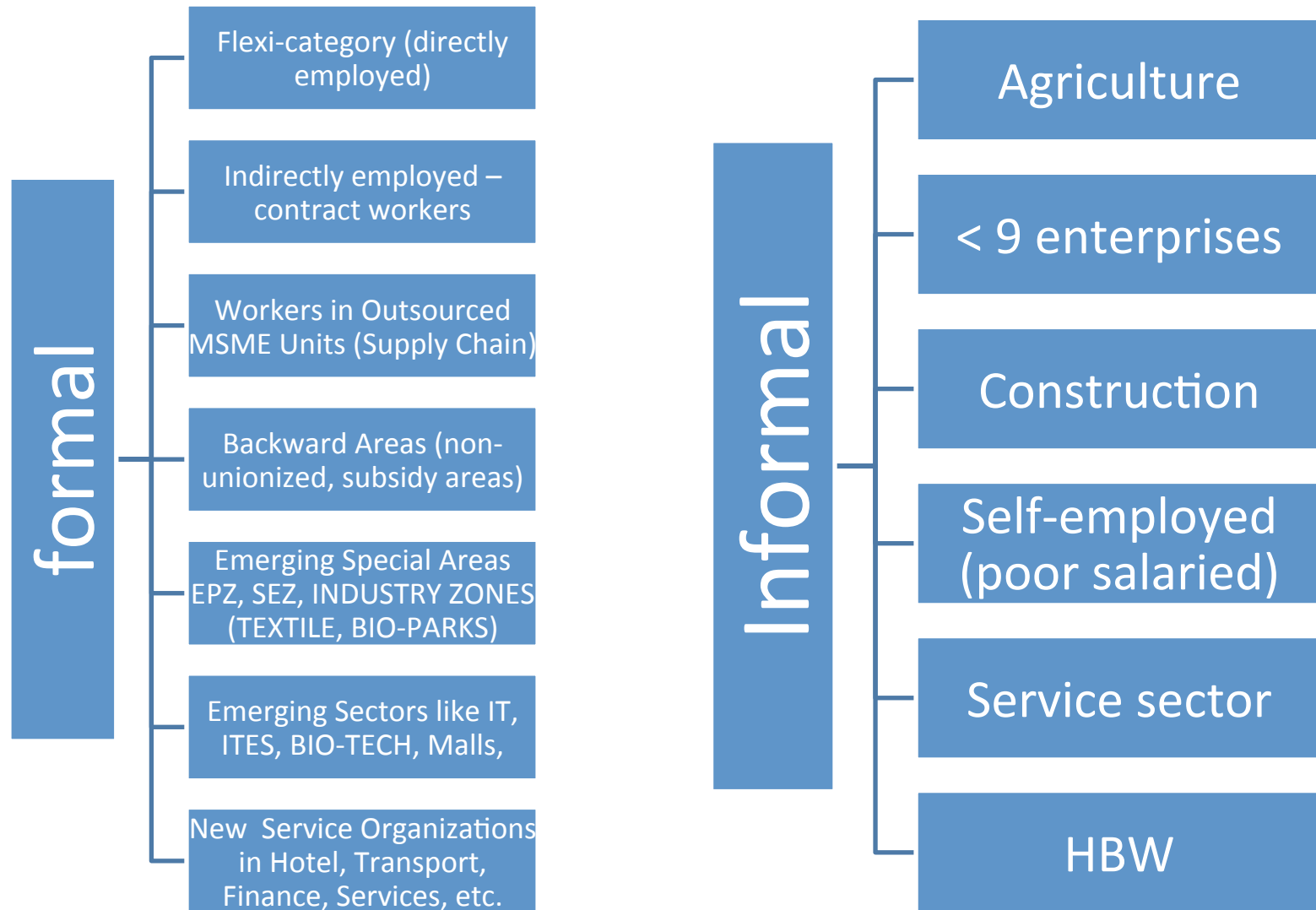




# Worker Organizational Realm

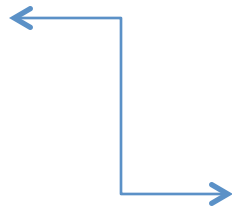


# Spectrum of Unorganized (Adult Workers)



# Organizational Logic

- **Numeric, normative, & organizational & strategic logic for conventional CTUOs**



## **Rising Interest on informal economy workers**

- **At the same time, the informal economy organizations outside the “conventional” union framework consolidated & emerged**

## Towards Working Class Unity – Dynamics of Globalization?

- **From Fragmentation to Limited Unity & Consolidation**  
– Struggle based Left Unity + Issue based solidarity by INTUC, BMS
- Sectoral & Industry Unity Forums
- Creation of National Platform of Mass Organization
- Joint Action Forums of trade unions for organized sector
- Joint Conventions of TUs and other Workers' Organizations
- **Weakening of Politics-Unions Nexus** - Competition for Capital leading to conflicts between ruling party & its labour wings

# Organizational Forms

- ❖ Conventional Trade Unions (CTUOs)
- ❖ Transformation from community based organization to a trade union – Fisherworkers' union (in Kerala)
- ❖ Organization & Movement (Domestic Workers)
- ❖ National Campaign Committee for Unorganised Sector Workers
- ❖ Conventional Trade Unions (Ship-breaking Workers)
- ❖ Unregistered TU – Karnataka Sex Workers' Union
- ❖ TU-CUM- COOP (SEWA)
- ❖ Federation of independent trade unions (NTUI)
- ❖ General Unionism Concept based Apex Body (NCL)
- ❖ Registered Societies –cum-Federation (NASVI),
- ❖ SELF-HELP GROUPS
- ❖ International Alliances (Garment, Domestic Workers, Fishworkers, Street vendors, etc.)

## ORGANIZING INFORMAL ECONOMY-STRATEGIES

- a) **Orgn. of informal worker groups on the basis of social security (SEWA), Policy/Law (DW, SV), Legitimacy (Sex)**
- b) **Working Class Movement (Macro Struggles – NPMO)**
- c) **Building interfaces with non-workers' bodies like CHURCH, NGO, Academics Body (NAC)**
- d) **Merging organization model with Networking/Alliances model**
- e) **Building international alliances for GLOBAL RIGHTS - ILO instruments (e.g. home workers)**
- f) **Pressure tactics on the govt. to constitute commissions, pass laws, form welfare measures, national policy (on street vendors), etc. relating to unorg. sector**
- g) **Litigation (Street Vending, Contract Workers)**
- h) **Strikes and Unrest at Micro Levels**
- i) **Building synergy btn. regular and non-regular – Micro/Macro**
- j) **Competitive and cooperative organizing strategies**
- k) **Negotiations/Dialogue – with stakeholders**

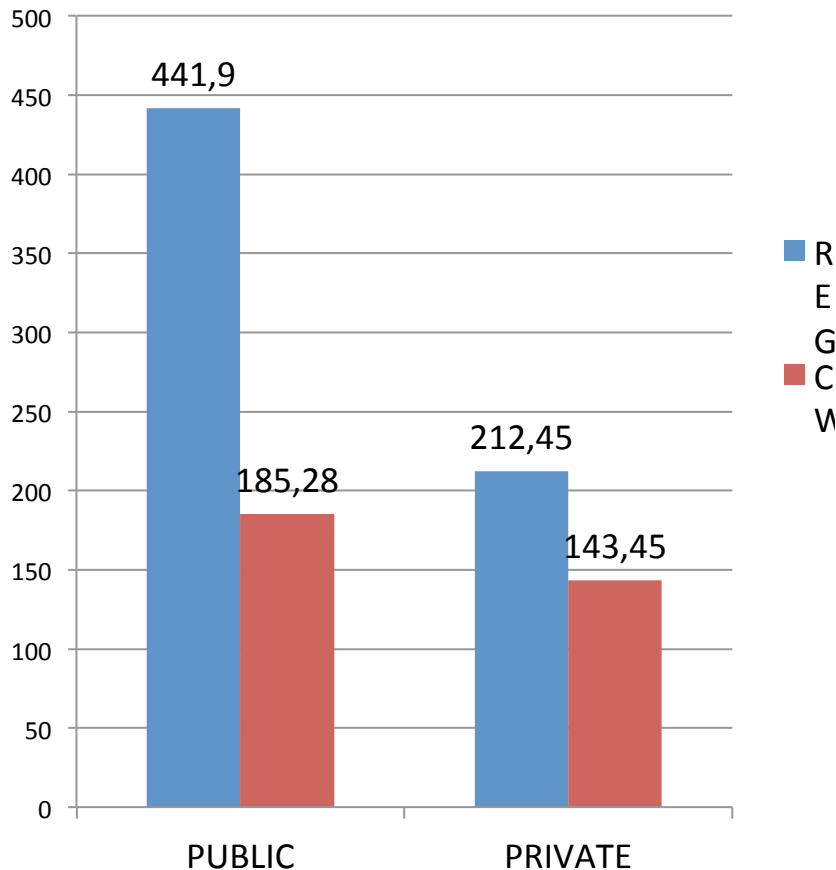
# Facilitating Factors

- Counter-tendencies of Globalization – Rising flexibility/Inequality = insecurity of even PW
- Mixed judiciary – hard blows for labour rights in the Organized Sector like Right to Strike, Regularization of Employment of Contract/Casual Workers
- Social Judgments in case of rights of street vendors, construction workers
- State Shift from formal to informal sector – BIG ROLE OF SNCL, NCEUS, NAC

# **Micro Level Inclusiveness – Organizing of and negotiation for contract & casual workers**



# Wage & Service Differentials between Regular & Contract Workers



- Low or no EMP SEC
- Low or No training
- < Minimum Wages
- Social security – in law but violated in practice
- Poor OSH security  
Virtually nil
- Voice insecurity

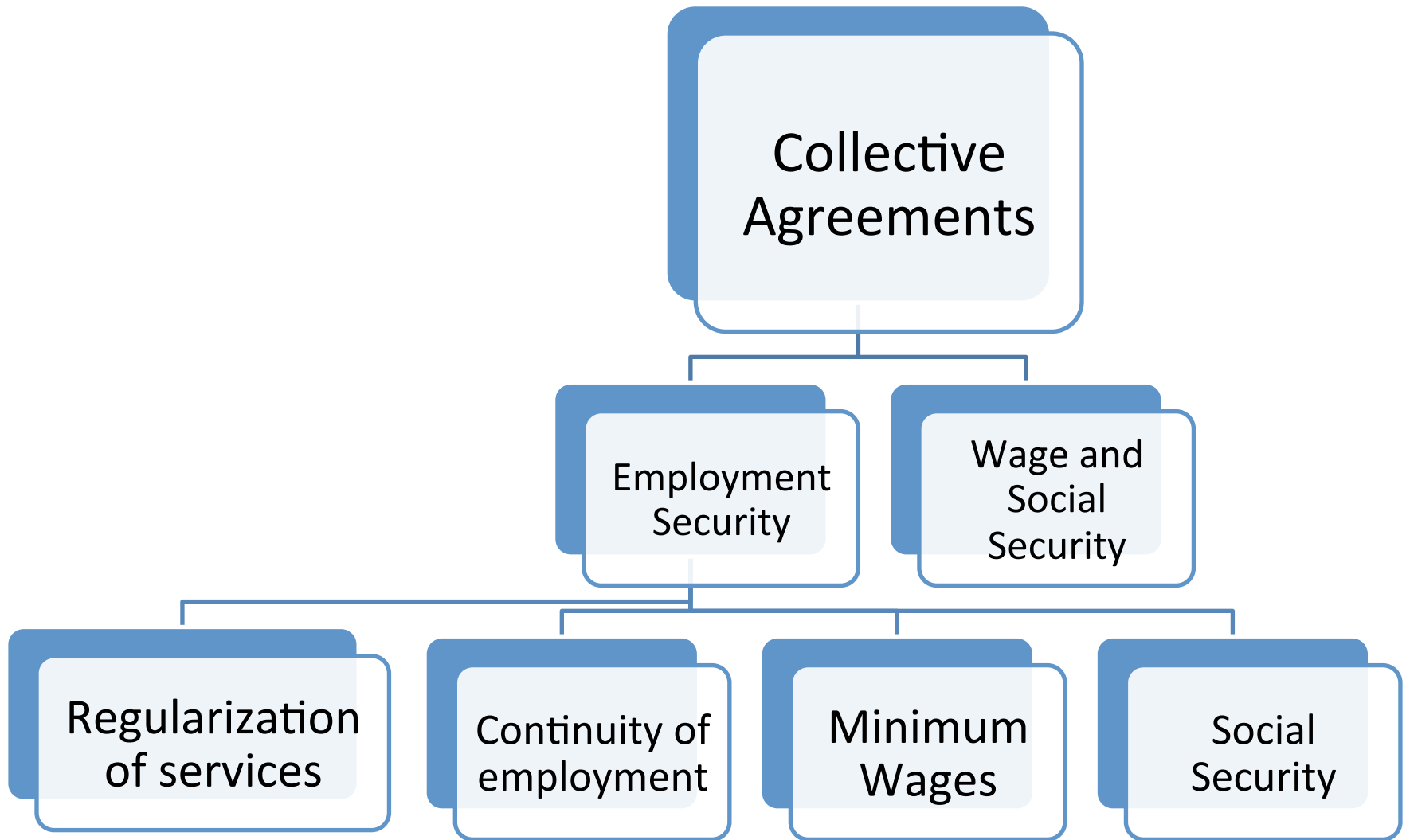
# Organizational Strategies with regard to Flexi-category Workers

- include the contract and casual workers as members of the union of the regular workers
- float a separate organization for the contract and casual workers under their banner.
- Spontaneous temporary struggle based organizations (Honda)
- the contract workers form their own union organizations - in nascent stage (micro – Reliance Energy Ltd; macro-city based – Contract/Casual Workers' Organization in Bengaluru; Shramik Ekta Centre in Pune)
- Informal economy centric organizations include contract workers among others (SEWA, Bandkam Mazdoor Sanghtana in Ahmedabad)

# Specific Conflicts Over and By and For Contract Workers

Wage/Equal Work Equal Pay/MW	Employment Security/ Outsourcing	Union/CB Rights
<p>Dr. Reddy's Lab (12/2011)</p> <p>Volvo (2010/2011)</p> <p>Bosch Chasis (9/2009)</p> <p>Everest Industries (9/2012)</p> <p>NLC (2008+)</p>	<p>Automax (4/2008)</p> <p>Bosch India (jaipur) (11/2008)</p> <p>Toyota Motors (7/2011)</p> <p>Wheels India (3/2011)</p> <p>Holcim (3/2011+)</p> <p>Volvo (8/2011)</p> <p>MSI (Oct. 2011)</p> <p>BYD Electronics (10/2010)</p> <p>NLC (2008+)</p> <p>TNEB (2008+)</p>	<p>Scriber Dynamix Dairy (4/2010+)</p> <p>Reliance Industries (Elec) (2008)</p> <p>Hero Honda (Haryana) (8/2008)</p> <p>Toyota Motors (2010)</p>

# Inclusiveness through C.B. : A Synoptic View



# **MACRO LEVEL – STRUGGLES, INCLUSIVE AGENDA, LITIGATION, POLITICAL ACTION**

# Struggle Path – MACRO LEVEL

- Strikes by unorganized sector workers – fish workers, construction, brick kiln, garment, anganwadi (helpers), beedi, etc
- 13 AI-India Level Strikes on an increasingly INCLUSIVE AGENDA
- Several forms of struggles
- Strikes/protests significantly leading to violence
- Litigation

# Macro Level all-India Strikes (Widening of Labour Agenda)

Economic and Labour Policies	Labour Sector	Unorganized
Price Rise	Universal Labour Law coverage	Universal social security via laws & boards
FDI & globalization	Enforcement of Labour Laws	Grant govt. employee status to anganwadi, mid-day meal workers, etc.
Disinvestment	SNCL & labour flexibility	Against contract labour system
Industrial policy linkage with emp generation	Pension policies & PF rate cut	Minimum wages for unskilled Rs. 10,000
MNREGA to cover urban areas well	Remove ceilings for bonus, ESI, PF; increase gratuity	Equal pay for equal work
	Ratification of 87 & 98 ILO	Minimum pension of INR 1000
	Compulsory registration of TUs	

## Unorganized Workers – Important Outcomes

- Passage of Unorganized Workers' Social Security Act, 2008 – poor progress
- Lok Sabha passing the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Bill on September 6, 2013
- MGNREGA – Right to Work in Rural Areas
- RSBY – Health Security for UNORG/BPL Families
- Passage of Maharashtra Domestic Workers Welfare Board Act, 2008 (Constitution in August 2011!)



# Struggle Map of Unorganized Sector Workers

Methods	Actors	Outcomes
➤ <b>ALLIANCES (Local/ National/Global)</b>	❖ Global (ILO)	✓ <b>VISIBILITY</b>
➤ <b>STRUGGLES (MULTIPLE)</b>	❖ STATE (CENTRAL/ STATE)	✓ <b>IDENTITY</b>
➤ <b>ADVOACY</b>	❖ LOCAL AUTHORITIES	✓ <b>LIFE &amp; LIVELIHOOD</b>
➤ <b>LOBBYING</b>	❖ ENFORCEMENT AGENCIES	✓ <b>VOICE</b>
➤ <b>NEGOTIATIONS</b>	❖ JUDICIARY	✓ <b>SECURITY</b>
➤ <b>LITIGATIONS</b>	❖ POLICE	✓ <b>FREEDOM</b>
➤ <b>MEDIA</b>	❖ EMPLOYERS	✓ <b>DIGNITY</b>
	❖ CONTRACTORS	✓ <b>ADEQUACY</b>
	❖ CITIZENS' BODIES	

# Problems

- The counter movement is **not smooth** –
  - Ideological differences between organizations
  - Multiplicity and no trace of CONSOLIDATION AND MERGERS
  - Intra-class dynamics of conflict (contract versus regular workers)
  - Trade Unions and NGO Interface not stronger (Mutual Distrust) (e.g. CTUOs versus SEWA, Green NGO versus Trade Unions)
  - Weak Integration between Global Unions and Local Trade Unions
  - Internationalism affected by North and South division
  - Diversity and dominance of INFORMAL ECONOMY
- The clash between the two movements (flexibility & institutionalism) & the dynamics reflect the transition process – contradictions & tensions emerge.

# Challenges

- ✓ Issues: Relevance of TU model, Funding, weak membership, leadership driven, integration & sustenance of multi-institutions, class as an organizing principle?
- ✓ In modern sectors like IT & ITES – IMPENETRABLE
- ✓ WEAK AND LIMITED SOCIAL SECURITY BASE
- ✓ INSTITUTIONAL COMPLEMENTARITY VERSUS CONFLICTS
- ✓ DEPENDENCE ON JUDICIAL ACTIVISM
- ✓ MUCH WORK TO DO – HUGE UNCOVERED SEGMENT??????

**THANK YOU**