
UNIT 4 WOMEN IN CARE ECONOMY

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4.1 INTRODUCTION

This unit familiarises the reader with the basic concept of work at home and the role that women play in various capacities to make it comfortable for other members of the family. It dwells upon the need to quantify women's work at home and the process that can be followed for it.

4.2 OBJECTIVES

After studying this Unit, you should be able to:

- analyze household work in economic terms;
- highlight the role of care economy in the household;
- estimate the extent of women's contribution to household care economy; and

- estimate contribution of care economy to the National economy.

4.3 WOMEN IN THE HOUSEHOLD

This section discusses the role of women in the context of household and family. It gives an account of the various tasks performed by women within the household.

4.3.1 Concept of work

For understanding the nature of care economy within the household, we must first understand the concept of work as it has been defined in economic context.

Work is any activity or expenditure of energy that produces services and products of value to other people (Fox 1984:2).

Work is an activity that has been related with production of goods or services.

Work is invariably associated with production, with the manufacture of some sort of goods or services for exchange in a market, in opposition to consumption which is defined as ‘non-work’ or ‘leisure time activity’ (McDowell & Pringle 1992:122).

Based on economic connotations, work or activities are divided into two kinds:

- Economic work /activity – All those activities which give an income are called economic activities. These are also referred to as production of goods and services.
- Non-economic work/activity – All those activities which do not give any income in return are called non-economic activities.

This division of work into economic and non-economic activities is strengthened in the context of household and family when work that is performed outside home and brings an income is considered economic and therefore important. However, it is not necessary that work would always fetch wages, salaries or income in cash. For instance, the work that a woman performs in the household is considered non-economic despite its importance for the smooth running of the household and work as enabling factors for the husband and other members to go out, work without any household worries and fetch an income required to meet the family expenses.

Within the economic framework, the definition of work gives no cognizance to cultural and emotional work performed by women along side with work that gives them economic returns.

4.3.2 Women and work

The relation between women and work is multi-layered owing to its existence both within and outside the home. Women have always been a part of the informal cash economy that has

traditionally existed in the communities. They have been managing the household economy by taking up the responsibility of the entire household work. Their role remained active even after the formal production in factories and other specialized workplaces started taking place. So the shift was not from leisure to work but from inter-familial to employer-employee-working relations. This changed their work patterns and the work got sharply differentiated into wage –non-wage work or a paid - unpaid work. Their formal entry into the labour market fetched them wages in cash in contrast to their earlier work that fetched them no income in cash. Therefore, it has been argued that concept of work should be broadened to include the varied types of tasks performed by women in and outside the home either for self-consumption or for exchange and as unpaid or paid labour (Delphy, 1992:20).

Within the domestic sphere, work performed by women is characterized by the following:

- **Multiple nature of work** – The work scope ranges from reproductive to productive work activities which takes women from one role to another simultaneously.
- **Enabling environment for others** – The work performed by women at home comprises the basic tasks such as cooking, cleaning, washing, child care and looking after old and sick members of the family. It also includes looking after guests and maintaining kinship networks.
- **Invisibility** – Tasks performed by women at home are not noticed. It is assumed that the household equilibrium is maintained on its own.
- **Low status** – The household tasks are regarded low status since they do not fetch any income.

The economics of domestic work/life with a focus on relations between household work and productive work by women has been explained in terms of patriarchal relations and control within the household (Delphy: 1992 and Walby: 1986). It is argued that housework takes place within a domestic or patriarchal mode of production in which men exploit woman's labour. This argument is based on the following observations –

- 1) men gain a lot on consumption and leisure from women's household work;
- 2) while evading their share of housework and child-care, men receive services for which they do not have to pay;
- 3) since woman is not a dependent, men don't have to pay; and,
- 4) woman produces his labour power which he exchanges for a wage which he controls.

In case of changes within the domestic productive relations (e.g single woman, changing husbands), Walby, sees them as a part of a shift from private to public patriarchy; with male control of individual woman in families and households giving way to public patriarchal control : the state and labour market. This indicates continuation and extension of patriarchal control over women's lives though in a different context.

4.4 GENDER AND DOMESTIC WORK: A CRITICAL REVIEW

There has been a very negative approach towards the labour of women. The planners have been completely ignoring the work done by women in the domestic sphere. The subsistence work and child care work which is unpaid is completely unaccounted. Similarly the enormous amount of labour that takes place in the informal sector remains completely invisible.

Many scholars believe that liberal philosophies tend to devalue labour and time devoted to the biological needs of human beings. They take the time spent on domestic chores for granted. There is no value for the time spent on cooking, cleaning, nurturing children, caring for old and disabled as these are not considered as productive work. Domestic sphere is taken to be governed by the instinct and is believed to be closer to nature than the social structure. These functions are seen as the natural duties of every woman, therefore women are being projected as the natural care giver. At the same time since the work is unpaid, it devalues and is not even considered as labour.

If we look at emancipating the women, we have to consider restructuring the private sphere also. Based on this logic, domestic sphere has not made a matter of policy intervention of any kind. The wider implication is that we fail to understand that limitations that women face in the public arena are naturally related to their roles in the household. Many feminist scholars argue that men can behave like disembodied rational agents because they have women to take care of their bodily and domestic needs. At the same time these women lead the lives of deprivation as their time is consumed in catering to their male folk. Many Marxist scholars see women's domestic labour as the basis of capital accumulation. German Feminist led by Maria Mies argues that men as well as capital benefitted from the women's demotion to unpaid subsistence work. The present oppression, subordination and subjugation of women is culmination of prolong domination of men over women, nature and colonies. For such scholars patriarchy and capitalism are interdependent and supplementary to each other.

Without downgrading the women's' labour in care economy, we must emphasise that there is a need to create alternate society based on feminist understanding of labour.

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Define work in the context of gender.

2. What is domestic work?

4.5 INTRODUCTION TO CARE ECONOMY

This section introduces the concept of care economy and its role in family well being. It dwells upon the role and contribution of women to care economy that constitutes the backbone of a family /household.

4.5.1 Concept of care economy

Care economy originates at home and is deeply embedded in the family welfare. The care economy is the work done, usually in the domestic sphere, which keeps the labour force fed and clothed, and raises the future labour force, therefore ensuring that society operates effectively. In simpler terms, it means working to make sure that other members including children, old and sick members of the family are well looked after and lead healthy lives. The idea of care economy was developed from the experiences of women, their role as consumers and as unpaid labour at home.

Care economy represents the time spent on unpaid care for members of their household and communities. It also consists of time spent to make up for the spatial deficiencies in public infrastructure, including in the health, energy, water and sanitation sectors. Such activities range

from providing long term health care to the chronically ill to fetching water and firewood (Chakraborty, Lekha S, 2006, Financial Express).

Gilman argued that the unpaid care labour of women at home is not compensated for by the income earned by their husbands. She describes care as a basic human sphere and considers the valuing of the sympathy and care of a mother in market terms as unthinkable.

Economic analysis has a history of inclusion of women's since 1930s of the reasons for wage differentials between men and women to the work on household production and time allocation during the 1960s and 1970s. In the 1950s, neoclassical economics pioneered the work towards a better understanding of the reasons behind the labour force participation of women. The work of Jacob Mincer centred around economically analysing the household sphere. It was an important step towards inclusion of women's work in mainstream economics. This process was intensified in the 1960s with the work of Gary Becker and other human capital economists that built the New Home Economics. They applied the market oriented concepts and models to household production. Time allocation analysis was used to explain the sexual division of labour at home and the inequalities within were explained through individual choices made under the assumption of utility maximization. Boserup in 1970 pointed out the importance of women's subsistence activities in rural areas and their underestimation in national income accounting. An impetus from the international women's movement since 1970s, the demand to emphasise and analyse all aspects of the invisibility of women's work, including domestic production.

Since the 1980s, there have been efforts to integrate gender into macroeconomics through two avenues: inclusion of women's unpaid work in national income accounts and the shift from micro to macro issues with the perspective of gender and development. With repeated lobbying for the importance of women's work at home, there has now been consent that it is important to value unpaid work:

- To give visibility to women's work and
- To establish women's claim on the national exchequer based on their contribution.
- To recognize the care economy as a 'productive space'.

The following story is an excellent example of care economy being in control of economic process:

Ali, an immigrant shopkeeper in London, has a friend called Dona. Dona gets information about some racists planning to attack Ali and does not know how to warn him. Complaining to the police is not of any use as they dismiss Dona's story as a product of paranoid fantasy. Dona knows that Ali keeps Charles, a business contact informed about his movements. The only way she can warn Ali is by breaking into Charles' room and leaving a

message about the planned attack. Under utilitarian thinking and justice reasoning there is no reason for breaking into Charles' room. Charles is a self-centered egoist, who will be more disturbed by his room being broken into than by Ali getting beaten up. From a justice perspective, there is no justification as Ali's life is not in danger, only his health and dignity. From a utilitarian perspective Charles' utility will decrease and Ali's further utility loss as a consequence of the bashing will be less than the utility gains by ten racist attackers. Does the very idea appear preposterous? If so, you value care as an end in itself. Sen encourages Dona to follow her "deeply held and resilient conviction that she must save Ali". Care is one's responsibility toward the community that one feels part of. Without responsibility, negative external effects will rapidly restrain the economic process, says the author.....Amartya Sen.

Care economy remains significantly invisible in quantitative terms, or at best undervalued, because of the restricted definition of 'economic activity' in national income accounting. Only market-oriented activities are considered 'economic'. It is interesting to recall in this context the famous economist Pigou's comment that if a housemaid employed by a bachelor were to marry him, national income would fall, since her previously paid work would now be performed unpaid.

Adam Smith, the noted economist recognized the role of care economy at home in molding the labour force of the future. He recognized that labour, like capital, is a produced factor. The type of changes in the economy has a bearing of care economy. For instance, cuts in health budgets and the draining of capable doctors from public to the private sector will cause longer waiting lists and queues in clinics. People who cannot afford expensive healthcare need more care at home. This will mean that women have to divert more time to care at home and less to other activities.

4.5.2 Women as Care providers

The relationship between women and their role as care providers may be explained as following:

- **Economic scenario:** The changing requirements of the macro-economy have a direct impact on the domestic, household context in the form of greater demand on the time and resources of women to shape the evolution of the care economy.
- **Social position and class:** The structuring of the particular role which different categories of women assume in the economy of care is, clearly, a function of their broader social position, a fact which makes the arena of the care economy a terrain of complex, interlocking gender and class equations.

- **Time poverty may affect income poverty:** The public infrastructure deficit in rural areas may enhance rural poverty due to the skewed time allocation of women towards unpaid care work, which is otherwise available for income-earning market work.
- **Well-being and development:** Care (whether paid or unpaid) is crucial to human well-being and to the pattern of economic development. Some analysts emphasize the significance of care for economic dynamism and growth. Others see care in much larger terms, as part of the fabric of society and integral to social development. To overcome the gender bias that is deeply entrenched in systems of social protection and to make citizenship truly inclusive, care must become a dimension of citizenship with rights that are equal to those that are attached to employment.

4.5.3 Importance of care economy

There have been important debates within feminist economics on how to conceptualize the connections between the sphere of market-based capital accumulation (the commodity economy), on the one hand, and that of non-market-based social reproduction (the unpaid care economy), on the other, while giving full recognition to the real divisions and differences between them. This has drawn attention to the distinctions between different components that constitute the unpaid economy, throwing the spotlight on care and its distinct characteristics (the difficulty of raising productivity and the associated “cost disease”).

There is a growing recognition across globe in lifting the veil of statistical invisibility of care economy.

4.6 GENDER IN CARE ECONOMY

The magnitude of the contribution of women in the care economy is alarming. Global estimates suggest \$ 16 trillion of global output is invisible contribution by the care economy and within that \$ 11 trillion is the non-monetised, invisible contribution of women.

The women’s involvement in care economy is a continued process as following:

- **Composition of the family:** For all countries, having a (young) child in the household tends to increase the amount of unpaid care work done.
- **Life cycle approach:** Marriage tends to increase the amount of unpaid care work to be done by the women. With increasing age and advancing stage in life, there is a decrease in the care work performed by women.

- **Household income:** The amount of unpaid care work tends to decrease with increase in income, while being employed tends to decrease the amount of unpaid care work done by women.

The exigencies of household welfare internal to the well-being of the members of the family constitute a permanent element in the structuring of the economy of care and the central role which women play in it. However, the household is seen as a *consumer* of goods and public services rather than a *producer* which provides valuable inputs and resources into both public and private economies. Women's contribution to the economy is largely in this hidden area of production which includes *care work, voluntary or civil society activity, subsistence production and work in the informal sector*. The invisibility of this activity means not only that it is underestimated or inaccurately measured, but it is also excluded from Gross National Product (GNP) and usually ignored when making policy decisions.

In India, the Time Use Survey (TUS) conducted by CSO in about 18,600 households in selected six states during July 1998-June 1999 revealed that on an average, a female spent 34.6 hours a week compared to 3.6 hours by a male in the care economy. The data reiterates the involvement of women in the smooth conduct of care economy as it exists.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. What is care economy?

2. What is the role of women in care economy?

4.7 ROLE OF CARE ECONOMY IN NATIONAL ECONOMY

This section evaluates the place of care economy within the context of domestic economy. It deals with care role of women in terms of its economic value and significance at the household and above levels.

4.7.1 Economics of Care Economy

Unpaid care work—the housework and care of persons that occurs in homes and communities of all societies on an unpaid basis—is an area that has generally been neglected by economists, as well as by many development actors. CARE is a value that the modern economists have excluded from the sphere of the subject (Irene Van Staveren: 2001). In economics, the relevance of caring commitments was recognized by Amartya Sen (1981), Jon Elser (1983) and Robert Frank (1988). Feminist economists have also made contributions on caring labour. They have sought to demonstrate the critical function performed by women's unpaid labour – most of which pertains to the structuring of the system of care - in the politics of the wage relationship, urban settlement patterns, national productivity, competitiveness, and external (cross-border) trade.

The valuation of unpaid work and its inclusion into Gross Domestic Product (GDP), or into some measures of well-being, is a very complex and controversial matter. There have been many studies on valuation of unpaid work, particularly as they relate to gender issues, claiming that unpaid work is not valued and not included in the estimation of GDP. In developing countries, in particular, unpaid work/workers are grossly undervalued. Data from field work showed that supposedly non-worker women are on their feet for several hours for carrying out household duties. Their workday is often no shorter than that of a man who is recorded as a worker in principal capacity. This process revealed that methods that evaluate the value of each of the different tasks are not adequate to capture the total cumulative cost to women in terms of energy required for the multiple tasks they undertake.

The Census 1991, 2001 had special drive - sensitization and training of the enumerators - to probe and highlight the various dimension of 'work' that women undertake. Milk production (livestock care) even for purely household consumption, was included as economic activity for the first time; this inclusion is partly responsible for improvement in female Work Participation Rate (WPR) in Haryana as also in Punjab.

Studies indicate that where women do not have 'public' identifiable participation in gainful activities, the measurement through questionnaire even if done by women is not adequate. They

may not be employed but they have a means of livelihood. As they may not be seeking work or willing to accept work except of certain kinds, suitable to cultural inhibitions. But these inhibitions are invisible in statistics. This indicates measurement failure. Given to understand that the conventional labour force surveys have not always been able to collect data from “difficult to measure” sectors like unpaid work of women, it has been suggested that Time use surveys (TUS) should be used as a survey tool. Taking an initiative, the Government of India conducted its first national TUS covering six states in 1998-99. There is now a proposal to mainstream these surveys in the national statistical system. . The major sources of data - the Census of India and the National Sample Surveys have increased their attempts to recognize women’s unpaid work.

There are usually two approaches to valuation of work:

- Input Method (valuation of the time spent on unpaid activities) and
- Output Method (valuation of the output generated from unpaid work).

It can be difficult to estimate monetary values for imputing prices to these (especially unpaid domestic work) services, given that there may be not suitable market prices for such outputs, incomes and expenditures.

Feminist scholars have long challenged the reluctance to measure or value women's unpaid work. Paradoxically, the female altruism exemplified by long hours of unpaid work has encouraged and enabled a masculine emphasis on more selfish pursuits such as the accumulation of financial wealth. Sometimes, the increase in women’s unpaid labour results from “gender-blind” policies, deigned to fulfil other social objectives. In addition, migration, stigma, culture/traditional practices, and engaging in supplementary work contribute towards increase in work burden for women or women’s unpaid labour.

There is also a need to realize that under certain conditions, time devoted to ‘non-market work’ does raise family living standards, and failure to acknowledge this can lead to misleading comparisons of living standards among households of different composition.

There is recognition that women are mostly involved in the small enterprises and in non-market work (NMW), which makes their contribution to the overall economy invisible.

There is also a concern that the inclusion of unpaid labour in the GDP may have the ‘perverse effect’ of increasing the estimated incomes of households and societies, currently perceived as poor, and thereby reduce the concerns of policy makers at both national and global levels. The effort towards valuation of unpaid work must be to ‘visibilise’ women's economic contribution rather than to add it to estimates of GDP (and hence unnecessarily inflate the estimated incomes of the poorer households). The best way, as suggested, to ‘visibilise’ the type of work women do is through Time Use Surveys.

The parameters of inclusion of the unpaid labour in a national policy for inclusion are as following:

- Non-market work (NMW) has no visible wages so it is difficult, if not impossible, to link such work to GDP. There is a need to build a framework, including classification of different types of activities: both Market work and NMW and quantify the total activity of a person; (give consideration to the possibility of movement from one type of activity to the other).
- ☐ Define the roles of women and types of contribution adding to the national economy, the compensation and the methodology,
- ☐ Move beyond simply counting hours and multiplying by an approximate hourly wage rate; look more systematically at household production functions, which also include capital (houses and consumer durables and public investments in services such as water, electricity, and gas), human capital (education), and raw materials (including "intermediate inputs" such as convenience foods),
- ☐ Address the concept of opportunity cost in determining value of non-market work (use minimum wages to start with) and
- ☐ Calculate GDP by both including and excluding worth of unpaid labour.

4.7.2 Care economy within national economy

The amount of unpaid care work carried out, the way that the burden of this work is distributed among different actors, and the proportion and kinds of care work that are unpaid or paid, have important implications for the well-being of individuals and households, as well as for the economic growth and well-being of nations.

There is now a growing recognition across globe in lifting the veil of statistical invisibility of care economy. The magnitude of the contribution of women in the care economy is alarming. Global estimates suggest \$ 16 trillion of global output is invisible contribution by the care economy and within that \$ 11 trillion is the non-monetised, invisible contribution of women. It also shows that the value of unpaid work can be equivalent to at least half of a country's Gross Domestic Product (GDP). Therefore, if the care economy is neglected this can have serious consequences for society and its productivity as it is neglecting the care of its most important resource - people.

In 1985 Nairobi conference that marked the end of UN Decade for women, was expressed the need to recognize the fact there had been an undercounting of women's work at all levels. In 1993, The United Nations Statistical Division extended the production boundary of the Systems of

National Accounts (SNA), by including the activities of unpaid work into the national accounting system as satellite accounts. This has provided a better understanding of women's contribution to the economy. On the basis of Time Utilization Surveys, it has been found that in industrial countries, women spend a little more than half of the total work time in unpaid activities. In developing countries, the proportion of total time spent on the unpaid household activities by women ranges from 76% in urban Columbia to 52% in the mountainous region of Nepal. In India, women in Gujarat scored the highest time spent (39.08 hours per week) on care economy activities, followed by Madhya Pradesh (35.79 hours) and Orissa (35.70 hours). The gender gap is most marked in India, where women spend nearly 10 times as much time on unpaid care work than men. Since women are responsible for a greater share of unpaid work in the care economy, they enter the labour market already overburdened with work. This dual work burden or unequal sharing of work borne by women is neither recognized in the data nor considered adequately in socio-economic policy making.

Time Utilization Surveys can provide valuable insights in fiscal policy making, especially in terms of public investment in infrastructure. Public investment in infrastructure like water and fuel can have positive social externalities in terms of educating the girl child and improving the health and nutritional aspects of the household. A World Bank study noted that easy accessibility to drinking water might lead to an increase in school enrolment particularly girls; in Madagascar, 83 per cent of the girls who did not go to school spent their time collecting water, while only 58 per cent of the girls who attended school spent time collecting water. However, the point to be noted is that though infrastructure investment lessens the stress of time-poor women; complementary employment policies are also required to avoid forced leisure; that is, to ensure substitution effect of unpaid work with market work.

Historically, the amount of time spent in market economy has never consistently been greater than that spent in care economy. But the attention paid by the economists unidirectional to the market economy skews any paid to latter. Macroeconomic policy makers have to realize that the allocation and efficiency of time we spent in care economy might be more important to economic welfare than that of market economy. The inferences from Time Utilization surveys need to be integrated in the formulation of public investment policies and pro-poor alternative macroeconomic strategies.

There is a need for a gender sensitive economic system, which must include the following:

- Collect and analyze time budget on a regular basis and the information should be integrated in the Indian statistical system for getting better statistics on the size of labour force of our country as well as the contribution of women to the economy – whether paid or unpaid.

- The present "gender-neutral" / "gender blind" budgets need to take into consideration the fact that men and women have different roles, responsibilities and resources in society. One of the major failures of budgets is the neglect of the unpaid "care economy" and recommendations should be made as to how this work could be valued or measured, and included in the budget.
- The perspective to macro-economic models needs to change by re-thinking the relationships between different areas of economic life such as the public and private sectors, the domestic, and the formal and informal economies.
- A parallel budget or "satellite accounts" should be set up that would focus on measuring and trying to quantify the value of unpaid output in the care economy. These would view caring labour in terms of market price and would make the division of labour which underpins this more explicit. It would also contribute to viewing sustainability in terms of sustaining society as well as the economy.
- Investment should be made in the care economy. This should incorporate greater provision of free public services such as health care and education. It should also incorporate an understanding of women's role in this economy and adjust policy accordingly - for example by making key services available free at the point of delivery.
- Gender-disaggregated data should be compiled for all the economic activities and set out in a "Social Accounting Matrix". This would give a better picture of how and why women's economic activity often goes unmeasured and under-valued. Data should be collected on variations in income, expenditure, and government spending *within* and *between* households and businesses, and within government committees and departments.
- Initiate development interventions designed only after taking into cognizance the issues of gender equality and care economy. For instance, while addressing AIDS, interventions aimed at reversing the epidemic need to take into account the excessive work-load that members of the household, usually women, shoulder in responding to the needs of sick family members. Therefore, appropriate development policies that focus on issues such as treatment, prevention, education, economic empowerment and violence against women, should be designed.
- The society should recognize and value the importance of different forms of care, but without reinforcing care work as something that only women can or should do, given the well-known and adverse consequences of such gendering: women's financial precariousness and their exclusion from the public domain.

There is enormous diversity in currently existing policy responses to care—arguably greater than that found for other contingencies such as illness or unemployment, and with differing implications for gender equality. Gender advocates have put forward a range of proposals that attempt to overcome the many disadvantages endured by most women because of their responsibilities for care giving, and sometimes to entice men to contribute more time to it. There are tensions, however, between the different proposals that have been put forward in terms of a wish to support and value care and to liberate women from the confines of care giving so as to enable their more active presence in the public sphere. There is a wide range of possible policy interventions: cash payments in the form of caregivers' allowance or citizen's wage (more gender-neutral than a mothers' pension); taxation allowances; different types of paid and unpaid leave from employment; social security credits and social services.

There should be strong advocacy efforts for the inclusion of unpaid contribution of women into the national economy. Some of the suggestions for which are following:

- Conduct Time Use Surveys; integrate unpaid work into the national database;
- Integrate unpaid work into national policies, as and when it is feasible. This should be done not only by compiling satellite accounts but also by underlining the links between macro policies and unpaid work;
- ☐ Tap the network of Self Help Groups (SHGs) in the villages, for initiating discussions and mobilizing masses for national level advocacy on the issue
- ☐ Public campaign to encourage men to share domestic work equally with women
- ☐ Draw adequate attention to market valuation of unpaid work by publicizing its inclusion in GDP

4.8 TERMS USED IN CARE ECONOMY

Care economy is represented by several terms. Some of them are:

Care Work

"Carework refers, simply, to the work of caring for others, including unpaid care for family members and friends, as well as paid care for others. Caring work includes taking care of children, the elderly, the sick, and the disabled, as well as doing domestic work such as cleaning and cooking. As reproductive labor, carework is necessary to the continuation of every society. By deploying the term "carework," scholars and advocates emphasize the importance of recognizing that care is not simply a natural and uncomplicated response to those in need, but actually hard physical, mental, and emotional work, which is often unequally distributed through society (Meyer 2000). Because

care tends to be economically devalued, many scholars who study carework emphasize the skill required for care, and the importance of valuing care.

Source: Misra, J. (2007). Care work. In G. Ritzer (Ed.), *Blackwell encyclopedia of sociology*. Blackwell Publishing. Blackwell Reference Online. Retrieved June 13, 2007.

Caregiver

Caregiver is a generic term referring to a person, either paid or voluntary, who helps an older person with the activities of daily living, health care, financial matters, guidance, companionship and social interaction. A caregiver can provide more than one aspect of care. Most often the term refers to a family member or friend who aids the older person

Family members or friends frequently provide this type of care. In the child care field, however, the term *caregiver* refers to people who are paid for providing child care services.” (Stebbins, 2001, p. 232).

Source: Department of Health and Human Services. (2005). Glossary of aging terms. Retrieved March 1, 2007, from <http://eldercare.gov/eldercare/public/resources/glossary.asp>.

Stebbins, L.F. (2001). *Work and family in America*. Santa Barbara, CA: ABC-CLIO, Inc.

Care giving

"Care giving is the act of providing unpaid assistance and support to family members or acquaintances who have physical, psychological, or developmental needs. Caring for others generally takes on three forms: instrumental, emotional, and informational caring. Instrumental help includes activities such as shopping for someone who is disabled or cleaning for an elderly parent. Caregiving also involves a great deal of emotional support, which may include listening, counseling, and companionship. Finally, part of caring for others may be informational in nature, such as learning how to alter the living environment of someone in the first stages of dementia.

Sociologists generally limit their discussion of caregiving to unpaid workers. Caregivers are typically family members, friends, and neighbors. Sometimes caregiving is done by those affiliated with religious institutions. While caregiving of all types is also done by paid workers such as nurses, social workers, and counselors, this is paid work, and thus is not in the same category. Caregiving rarely refers to the daily care that parents provide for their children, because this is classified as parenting; however, caring for an adult disabled daughter would be considered caregiving because it is outside of the norm of expectations for older adults." (Drentea, 2007)

Source: Drentea, P. (2007). Caregiving. In G. Ritzer (Ed.), *Blackwell encyclopedia of sociology*. Blackwell Publishing. Blackwell Reference Online. Retrieved June 13, 2007, from

Check Your Progress Exercise 3

- Note:** i. Use this space given below to answer the question.
ii. Compare your answer with the one given at the end of this unit

1. Why women's work is has not been counted in national income?

2. How can women's work be counted in national economy?

4.9 SUMMING UP

Women have largely been responsible for the running of their households. Their primary role has been to nurture the family through labour which is assumed to be there without any monetary gains. The various tasks performed by women are repetitive, monotonous and devoid of appreciation. However the work performed by them is difficult to measure in concrete terms for their complex nature. It is physical labour, emotional support and psychological care which together makes the distinct nature of woman's work. Against the vivid arguments for/against unpaid labour of women, it has been realised that women's domestic labour contributes not only to the household economy but also to the domestic economy of a nation. Therefore, it needs to be monetised and included while calculating for total economic gains at the national level.

4.10 GLOSSARY

Production of goods and services: when an activity results in a valuable and useful thing, it is also called production of goods.

Emotional labour - “Emotional labour applies to both men’s and women’s work, but is the ‘softer’ emotions, those required in relational tasks, such as caring and nurturing, that disappear most often from job description, performance evaluations, and salary calculations” (Guy, M. E. and Newman, 2004, p.289).

Source: Guy, M. E., & Newman, M. A. (2004). Women’s jobs, men’s jobs: Sex segregation and emotional labour, *Public Administration Review*. 64(3), 289-298.

4.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. Activities, tasks, economic return
2. Household, family, care

Check Your Progress Exercise 2

1. Invisible work, household economy, drudgery
2. Nurturing, family sustenance, care of the members

Check Your Progress Exercise 3

1. Voluntary, social role, duty, family well being
2. Methods, approach, time spent survey

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4.13 QUESTIONS FOR REFLECTION AND PRACTICE

1. What is care economy? Elaborate the role of women in care economy.
2. Women contribute to the national income. Discuss this statement in the context of work performed by them at home.
3. Should the women's domestic work included in the national economy. Discuss.
4. Write short notes:
 - a. Women as caregivers
 - b. The gendered connotation of domestic work
 - c. The gender sensitive national economy



UNIT 5 WOMEN IN SHADOW EMPLOYMENT

Structure

- 5.1 Introduction
- 5.2 Objectives
- 5.3 The Origins of Shadow Employment
- 5.4 The incidence of Shadow employment
- 5.5 The recent development in Shadow employment
- 5.6 Sustainable employment
- 5.7 The public policy challenge of shadow employment
- 5.8 The concerns about the trend to shadow employment
- 5.9 Summing Up
- 5.10 Glossary
- 5.11 Answers to Check Your Progress Exercises
- 5.12 References
- 5.13 Questions for reflection and practice

5.1 INTRODUCTION

Although women have entered the paid labour force in increasing numbers over the last two decades, more and more of those in paid employment are working in “non- standard” jobs or in shadow employment. While standard jobs are generally defined as full-time, full-year employment with a single employer on a permanent, long-term basis, “non-standard” jobs include contract work, self-employment, temporary work and part-year work, or multiple jobs with a series of employers. This type of work is often poorly paid and offers little or no job security. Workers may be expected to work at home or be on call when an employer needs them. For all these reasons, this type of employment is also referred to as “contingent work.”

5.2 OBJECTIVES

After studying this Unit, you should be able to:

- define and explain the origin of shadow employment;
- examine the incidence of shadow employment;
- analyze the recent development in shadow employment;
- explain the policy initiatives with regard to shadow employment; and
- discuss the concerns of shadow employment.

5.3 THE ORIGINS OF SHADOW EMPLOYMENT

India has a total workforce of around 400 millions, out of this 92 per cent of labour i.e. 368 millions is in unorganized sector. Majority of women -- 87 per cent -- are employed as agricultural labourers and cultivators. Among the women workers in urban areas about 80 per cent are employed in the unorganized sectors like garment industry, petty trades, service sectors, building constructions, domestic work, anganwadis, nursing in private hospitals, teaching in private institutions, home-based work (house hold manufacture sector) etc. There are some categories of women who are even more disadvantaged such as disabled, migrant, dalit, urban informal and rural sector workers. The condition is worst for the home-based workers who account for 30 million workers in India and 50 million in South Asia.

As per the India Second Shadow NGO Report on CEDAW coordinated by National Alliance of Women 2006, the Mid Term Appraisal of the 10th Plan recognizes the vulnerability of women workers: “the feminization of poverty and the exploitation of women in low paid, hazardous and insecure jobs in the unorganized sector and in the export processing or special economic zones. According to the NSS 55th Round (1999-2000), women casual workers in urban areas are more vulnerable to poverty compared to not just their male counterparts but also to workers, both female and male in other employment categories.” In the paid informal sector where a large number of workers struggle for long hours without minimum wages, overtime pay, sick leave and even maternity leave for women workers(Second NGO shadow report on CEDAW; iwrai ap.org/pdf/India).

In 2006, the Mediterranean Institute of Gender Studies (MIGS) produced a shadow report to the Cypriot government report for the United Nations Committee on the Elimination of Discrimination against Women which examined that although the employment rate in Cyprus is relatively high at 72.2%, in reality there is significantly high gender segregation in employment. In 2002, the services sector absorbed 84% of female employment, with almost 50% of employed women concentrated in such sectors as wholesale and retail trade, hotels and restaurants, manufacturing and education. On the other hand, 58% of male employment is concentrated in the sectors of manufacturing, construction, wholesale and retail trade, and public administration.

Furthermore, the average gross hourly wage for women was about 26% less than that for men. Even though the gender wage gap can be partly explained by gender segregation in employment,

where women are more frequently found in low-paid jobs, gender wage differences exist even between men and women sharing similar occupations and educational characteristics. Gender-related wage discrimination is apparent in employer practices as well as in contract negotiations due to patriarchal attitudes that undervalue women's experience. It is also related to the limited negotiation powers among women working in various professions and sectors.

Although the unemployment rate in Cyprus is relatively low, the percentage of unemployed women has always been higher than the corresponding figure for men and, in fact, has risen from 4.6% in 2003 to 5.4% in 2004. A relatively high female unemployment rate also exists among women aged 35–44 years, revealing that women face particular difficulties when trying to reenter the labour force after a period of inactivity. Moreover, women constitute the majority of long-term unemployed people, reflecting inequalities in terms of opportunities in, and access to, employment. The MIGS report contends that the above mentioned unemployment rates do not paint the full picture of unemployment in Cyprus. One reason for this is that a large number of people, particularly women, employed in seasonal jobs in the services sector are not eligible to claim unemployment benefits during the off-peak season. Perhaps more important in this regard are the cultural and social practices in Cyprus that discourage people in general, but women in particular, from applying for benefits because of the associated negative social connotations (European Working Conditions Observatory; www.eurofound.europa).

Researchers began to draw attention to the growth of shadow employment in many of the industrialized countries in the early 1980s. For example, the European Commission drafted legislative proposals on temporary employment in 1982, dealing with contract workers and those employed through temporary work agencies (Schellenberg and Clark 1996: 2). During the 1980s, the Organization for Economic Co-operation and Development (OECD 1987) began to refer to the phenomenon in its regular publication *Employment Outlook*. The International Labour Organization (ILO 1987) also documented the growth of this type of employment in industrialized countries. And the Economic Council of Canada (ECC 1990) drew attention to the contrast between “good jobs” and “bad jobs” in a landmark report released in 1990. By the end of the 1980s, shadow employment was the subject of in depth analysis in Canada. Harvey Krahn (1992: 52-70), of the University of Alberta, used data from Statistics Canada's 1989 General Social Survey to look at the varieties of shadow employed work in which Canadians were then

engaged. He found that, while jobs in shadow employment tend to be seen as a product of the expanding service economy, one quarter of Canadians employed in the traditional blue-collar construction sector were in shadow employment, particularly part-year and temporary work. In addition, Krahn said, part-year work was fairly common in natural resource based industries, while almost half of those employed in agriculture were self-employed without employees.

In 2000, about 34 percent of all jobs in Canada were considered to be under shadow employment. (Statistics Canada 2001f) compared with perhaps one quarter 10 years ago. Self-employment, in particular, has expanded significantly and has been responsible for much of the job creation experienced by the Canadian economy in recent years. Overall, women are much more likely than men to be in shadow employment, and the percentage of women in these jobs has been increasing. Close to one million women were self-employed in 2000, representing 12 percent of all those with jobs. Over time, Hughes found the composition of the self-employed work force changed notably. Whereas women once accounted for just one quarter of own-account workers (that is, self-employed workers without any employees) they now comprised 40 percent of this group. Women who were own-account self-employed continued to cluster in service and sales jobs. Self-employed women were far more likely to work part time than their male peers. Also, the wage gap between women and men in self-employment was larger than that among paid workers.

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. State few reasons for the origin of shadow employment.

5.4 THE INCIDENCE OF SHADOW EMPLOYMENT

Of course, some people may hold a combination of jobs under shadow employment. A self-employed person may work part time, for example, or be employed full time on a temporary

basis. A part-time worker may work a full year for the same employer on a long-term basis. A person with multiple jobs may have some part-time, some full-time and some temporary work. The most recent data for 2000, included in a special update to the Women in Canada 2000 publication, show 27.3 percent of employed women worked part time and another 12.4 percent were self-employed, where this figure includes those with and without employees (Statistics Canada 2001b). As noted earlier, it was estimated that 41 percent of employed women aged 15 to 64 were employed in shadow employment in 1999, but given the decline in part-time jobs and self-employment, the percentage may be slightly lower for 2000.

Younger women are more likely to have temporary jobs than other women. Own-account self-employment is much higher among women who are 65 or older than for younger women. These observations may indicate that some older women are taking on such jobs as a way of supplementing pension income. As well, the employment patterns of young women (those aged 15 to 24) strongly suggest that these women are combining paid employment with their higher education or training (Canadian feminist alliance; www.fafai.org/files/fafia_canada_cedaw_2008).

Some studies have suggested that immigrant and visible minority women in particular are more likely than other women to be contingent workers. For example, Zeytinoglu (2000: 223) suggests: "Racial minority workers, particularly those of low economic class, tend to have limited bargaining power and knowledge of their rights and are easily relegated into insecure, poorly paid jobs with no career mobility."

A study of female-dominated home care work in Ontario indicated that jobs designated as less skilled, lower paying and casual were filled by racial minority and Aboriginal women of low economic class (Denton et al. 1998). Another study (Badets and Howatson-Leo 1999: 21) showed that in the 1990s, recent immigrants, three quarters of whom were racial minorities, not only worked more in shadow employment arrangements, but were also stuck longer in those types of jobs. Statistics Canada says low participation rates of recent immigrant women may, in part, reflect the fact that many of these women came here as either family class immigrants, or spouses or dependants of economic immigrants rather than as primary economic class applicants themselves.

Immigrant women who do enter the paid work force are slightly more likely to be employed full time than are Canadian-born women. More than 75 percent of immigrant women aged 25 to 44,

who were employed in 1995, were working mainly full time, compared with 73 percent of Canadian-born women. Even recent immigrant women were most likely to be employed full time during this period. Immigrant women are much more likely than Canadian-born women to be manual workers. And immigrant women generally earn less at their jobs than other women in Canada (Statistics Canada 2000: 201-203).

Aboriginal women are much less likely than their non-Aboriginal counterparts to be part of the paid work force. Only 41 percent of Aboriginal women aged 15 and over were employed in 1996, compared with 53 percent of non-Aboriginal women. Women in Canada are more likely than men to be in part-time, temporary, or multiple jobs, which are less likely to have pensions and other benefits. This is not necessarily by choice, but because of childcare responsibilities or because they are unable to find full-time work. This is particularly true for Aboriginal women, immigrant women, and women of colour. In 1996, about 30 percent of Aboriginal women with jobs worked part time, about the same figure as for non-Aboriginal women. However, Aboriginal women are heavily concentrated in low-paying occupations traditionally held by women (Statistics Canada 2000: 256-257). In 2001, unemployment rates among Aboriginal women in the labour force (17%) were twice those of non-Aboriginal women (7%). 47% of Aboriginal women were employed, compared with 56% of non-Aboriginal women. 57% of Aboriginal women workers worked part-time.

Access to employment for women with disabilities is often barred, or made complicated, by negative attitudes of employers towards making accommodations for a woman's disability. Many women have invisible disabilities, such as chronic fatigue syndrome, arthritis, asthma, cancer, and multiple sclerosis, which involve fatigue and pain. Resistance from employers to working out flexible employment arrangements, such as working at home or working flexible hours, diminish the ability of women with disabilities to participate in paid employment and to support themselves and their families.

Initially, it would appear that increases in shadow employment were seen as a reflection of an expanding service economy. There was also some suggestion that as more and more women entered the paid labour force, they were choosing part-time work as a way of combining their paid work with their unpaid family responsibilities. And since service sector workers were predominantly women, the two explanations seemed to fit together.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Discuss the female dominated care work in Canada.

5.5 RECENT DEVELOPMENTS IN SHADOW EMPLOYMENT

The reasons given by women for working part time have changed. In the past, most women who worked part time were doing so because they were also caring for children. More recently, high percentages of women in part-time work said they were unable to find full-time jobs. Data for 2000, for example, indicate that among women part-time workers in the prime childbearing years (aged 25 to 44), 33 percent were working part time because they were also caring for children, but 29 percent held part-time jobs because of business conditions or their inability to find full-time work.

5.6 SUSTAINABLE EMPLOYMENT

There is some evidence that a shift to various forms of shadow employment is now a permanent feature of the Canadian labour market. This development has been attributed to trade liberalization, globalization, technological change and a general restructuring of the labour market and the economy. Manufacturers who have shifted to a just-in-time delivery are looking for a just-in-time work force that is flexible and adaptable to rapidly changing needs (Gunderson and Riddell 2000: 11).

While there are clear indications of the increasing prevalence of shadow employment, there is still little information about how much time women spend in this kind of work over a lifetime of paid employment. For example, many people may work part time while they are young, perhaps because they are combining paid employment with further education. But they may eventually find full-time or more permanent jobs once their higher education is completed.

Many women may work part time or accept temporary jobs while their children are young, in the expectation that they will be able to make a commitment to full-time paid employment when the

children are in school, or when the lack of affordable, quality child care is no longer an issue. Older women may turn to self-employment, as a way of easing into retirement after working in a full-time paid job as an employee.

Longitudinal data, which would provide a picture of how the pattern of a woman's paid employment changes over time, are limited. The absence of such information may also constrain the development of effective policies to provide adequate benefits and supports for women in shadow employment. For example, the Canada Pension Plan provides a retirement pension equivalent to 25 percent of the worker's average earnings over a lifetime, defined as the years from age 18 to 65, which is known as the contributory period. Pensionable earnings (the earnings on which the retirement pension will be based) are adjusted to account for inflation and to convert them to today's dollars.

To accommodate periods when a worker may have been engaged in further education or training, as well as periods of unemployment or illness when the individual was unable to contribute, all CPP contributors may exclude up to 15 percent of the contributory period — 4 roughly seven years — from the calculation of average earnings on which the pension will be based, if it is to the worker's advantage to do so. (This provision is often referred to as the “general drop-out” indicating that those years may be “dropped out” of the calculation.)

In addition to the general drop-out, there is also a child-rearing drop-out which allows parents to exclude years when they had a child under the age of seven from the average earnings calculation. In other words, a woman who had two children two years apart might exclude nine years of little or no earnings from the average earnings calculation, in addition to seven years under the general drop-out provision. If this person had spent, say four years at university and 12 years in shadow employment, before finding a full-time paid job, she might still be entitled to a full retirement pension from the CPP based on her average earnings after excluding the 16-year drop-out periods. In other words, under the CPP rules, she would not be penalized for the time she spent in shadow employment, or in raising her children.

From a policy point of view, then, it is important to know not only what percentage of workers are employed in such jobs at any particular point in time, but also, what portion of their adult lives they spend in this type of work.

Check Your Progress Exercise 3

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Discuss the shadow employment issues in Canada.

5.7 THE PUBLIC POLICY CHALLENGE OF SHADOW EMPLOYMENT

Recent studies have referred to a “labour market in transition” (Riddell and St-Hilaire 2000) that will have significant implications for public policy. Lowe and Schellenberg believe the spread of self-employment, coupled with changing relationships between self-employed workers and their clients blurs the line between paid employment and self-employment. Research findings raise the possibility that some self-employed people, especially those who have no employees of their own, may, in fact be “disguised employees.” They may have been let go from their regular employment as a result of downsizing or restructuring, setting up shop as self-employed free-lancers, consultants and independent contractors, only to end up performing many of the same tasks they did as employees. In a recent study for the Canadian Policy Research Networks, Graham Lowe and Grant Schellenberg (2001:11) suggested that a simple distinction between standard and shadow employment does not adequately capture the growing diversity of non-standard employment relationships that has emerged over the last two decades.

Shadow employment presents particular challenges for public programs, such as Employment Insurance (EI), public pensions, child-care arrangements, and so on, which were generally designed for workers in standard jobs with long-term continuous service. For example, it is often difficult to make a clear distinction between permanent and temporary employment given the wide array of contract, casual, seasonal and temporary help agency employment now available. Workers in such jobs may not be able to accumulate the requisite number of hours of work to qualify for EI benefits if they lose their jobs. Self-employed workers may not qualify for some programs. Temporary workers may have earnings that are too low to allow for coverage of the Canada Pension Plan (CPP). Workers employed in several low-wage part-time jobs may find

none of their various employers contributes to the CPP for them because their earnings at any one job are too low.

The phenomenon of increasing shadow employment has also been attributed to job preferences of workers who want more flexibility in managing their paid work and non- work activities. Schellenberg and Clark (1996), in their study for CCSD said that explanations for the increase in temporary employment, which emphasize changes in worker preferences, the rise of the service economy and the effects of the business cycle, are only partially satisfying. The more compelling argument centres on economic change and the increased demand for work force flexibility. They suggested that, as the economy continues along a trajectory of rapid change, so too will labour markets. They concluded that such work will continue to take the place of more traditional employment arrangements. For example, research by Garnett Picot and Andrew Heisz (2000), published by Statistics Canada, analyzed the performance of the Canadian labour market during the 1990s. These authors examined the notion that competitive and technological pressures have radically altered the production processes, hiring and business strategies of firms in such a way as to affect the labour market in a major and often negative manner.

Some American researchers believe there is no shortage of such jobs in the United States. Ken Hudson (1999), writing for the Washington-based Economic Policy Institute, said that even in the midst of a booming economy, with wages rising and unemployment at historic lows, reliance by the U.S. economy on part-time work, independent contracting, temporary work, on-call work, day labour and self-employment remained as strong as ever. Employers argued that these jobs provided the flexibility needed to become competitive. These perceived advantages notwithstanding, as of 1997, most of these workers were paid less, were less likely to receive health insurance or a pension, and had less job security than workers in regular full-time jobs (Hudson 1999). The disparities between those in shadow employment and regular full-time jobs persisted even when comparing workers with similar personal, educational and job characteristics.

5.8 CONCERNS ABOUT THE TREND TO SHADOW EMPLOYMENT

Other researchers, looking at the changing structure of the labour force and the growing prevalence of shadow employment raised concerns about these developments and their policy implications. Several issues are of concern, for example, changing rules for Employment Insurance, increased economic insecurity and polarization between those with good jobs and

those in the contingent work force, the lack of protection for self-employed workers, the implications for the tax and transfer system, and disguised unemployment as the line between employer and employee becomes blurred.

A study by Stephan Roller (1999), published by Statistics Canada, raised questions about the declining number of unemployed people receiving Employment Insurance benefits as a result of the changes and noted the public concern over this issue.

Based on information from the Employment Insurance Coverage Survey, conducted quarterly through 1997 and 1998 by Statistics Canada and funded by Human Resources Development Canada, Roller found that two thirds of adult unemployed men but only half of adult unemployed women were potentially eligible for EI benefits.

Roller explained that the term “potentially eligible for Employment Insurance” is used to describe unemployed people who, during the reference week, received EI benefits or were in a position to receive them because of their recent insurable employment and subsequent job loss. The term “not potentially eligible” describes the situation of those who did not receive benefits and could not have received them even if they had claimed, as determined from the reported information. Among the reasons for not being potentially eligible are not having enough hours of insurable employment, the lack of any recent employment, being in self-employment or other types of non-insurable employment, or quitting jobs for reasons deemed not valid by the Employment Insurance Act.

In addition to low pay, many self-employed workers may lack important benefits available to paid workers through government or company sponsored programs (for example, disability coverage, parental benefits/leave, pension plans and Employment Insurance). This is of less concern for high earners or employers, who may set up their own plans, but remains a significant issue for own-account workers, especially those in low paying sectors. Self-employment also has implications for pay and employment equity, as it places increasing numbers of women outside of these initiatives. Another study of the Canadian work force published by the Canadian Centre for Policy Alternatives (Jackson et al. 2000), reported on key social and economic trends, including the implications of an increasingly precarious labour market for working people and their families. The study concluded that in the 1990s, the fundamental challenge of creating security and well-being for workers in a market society had increased. The market economy was not only failing to deliver anything close to full employment, but was generating more and more

precarious and badly paid jobs. According to Jackson et al., the welfare state had also had to cope with massive social changes, such as the huge increase in the proportion of one-parent families, headed mainly by women.

The Jackson et al. study also reviewed policy developments in the tax and transfer system. Among other things it concluded that women are losing unemployment insurance protection faster than men because women work part time and enter and re-enter the labour force more often than men for family reasons. Policy changes that raised the minimum number of hours to qualify for Employment Insurance benefits meant that many women who worked part time and on a temporary basis could not accumulate enough hours in a 12-month period to qualify. As well, women who left their jobs for child care were penalized when they re-entered the labour force by having to accumulate even more hours of work.

Another Canadian study, emphasizing employment relationships, also raised key issues associated with contingent work. Written by Graham Lowe and Grant Schellenberg (2001) for the Canadian Policy Research Networks (CPRN), it reported on the results of the CPRN's Changing Employment Relationships (CER) project for which a nationally representative survey of 2,500 employed Canadians was undertaken, supplemented with eight focus groups.

Arguing for a deeper understanding of shadow employment, Lowe and Schellenberg suggested that, as varieties of shadow work proliferate, the traditional line between employee and employer becomes increasingly blurred. More precise definitions and measures of temporary work are needed, especially regarding the role of temporary help agencies. Recent research suggests that temporary agency work has contributed to the precariousness of employment in Canada, especially for women who predominate among temporary workers. The survey found that most temporary workers do not expect their current position to lead to something more secure.

The Lowe and Schellenberg study also examined the issue of "disguised employment" among self-employed contract workers, free-lancers and consultants who have strong ties to a single client. It noted that such disguised employees do not have access to Employment Insurance, employer-provided benefit plans or the greater protections that employees often have regarding termination notice, severance pay, paid vacations, overtime and other employment standards. They also must pay both the employer and employee portions for the Canada/Quebec Pension Plan.

The Lowe and Schellenberg study indicated that 15 percent of own-account and eight percent of employer self-employed individuals have a potentially high overlap with paid employment. Only further research can determine if these self-employed individuals are really disguised employees or, alternatively, if they occupy a distinct location between truly independent self-employed workers and the traditional “dependent” employee.

Their study also found that spousal benefits are particularly important for such workers, who may have access to medical and dental coverage through a spouse. But this indirect coverage obviously does not apply to benefits, such as pensions, paid parental leave or paid sick leave, all of which are more extensively available to employees compared with the self-employed. As well, reliance on spousal benefits puts women at risk in the event of marital breakdown.

Some studies have pointed to a possible change in the pattern of women’s participation in the paid labour force. Along with a growing trend of shadow employment, there is also evidence that the typical work career is changing. Economist Wayne Simpson (1997) in a study of interruptions in paid employment, found that intermittent work activity, both intended and unintended, is now more common. Interruptions in paid employment (referred to as “intermittencies” in the study) involve both periods without employment and periods with less than full-time work. His study looked at how these intermittencies affect career progress in earnings. As well, it addressed the question of the extent to which these intermittencies account for differences in earnings between men and women.

Among the Simpson findings: men have spent 81.4 percent of their time in full-time work with a mean of 19.1 years of full-time work, whereas women have spent 51.8 percent of their time in full-time work with a mean of 9.8 years of full-time work. Men have spent eight percent of their years not working (for pay) compared to 29.7 percent for women. More than half (51.8 percent) of men have spent every year since their first full-time job in full-time work compared to 20.5 percent of women. As well, 72.9 percent of men have spent every year since their first full-time job working at least part time or part year compared to 39.7 percent for women.

The results for women also indicate rapid restoration of earnings from bouts of non-participation and part-time work, since job tenure, rather than past experiences, dominates earnings determination, according to Simpson.

Other economists have studied how child-related interruptions to women’s paid work can have long-term income consequences. For example, one study by Phipps et al. (2001: 411) suggested

that women, who must interrupt their paid employment for child-related reasons, spend less time out of the paid work force if they are returning to the same job than women who change jobs after a period out of paid employment (1.93 years in total compared with 5.75 years). As well, women who change jobs when they return to paid employment generally have lower incomes, while there appears to be no impact on income for those women who return to the same job. Phipps et al. suggested that since many women return to work part time after they have had children as a way of accommodating their increased family responsibilities, it is possible that “having a job change” might be simply another way of saying “worked part time.” But Phipps et al. found that women who have always worked full time, but who have changed jobs have lower current incomes. They also found that the burden of unpaid work in the home has an impact on women’s earnings. The greater the number of weekly hours of unpaid work, the more negatives the impact.

All these findings have implications for policies to address the impact of non-standard employment on women’s financial security. If real incomes and job prospects of many workers remain limited over a long period, greater social divisions between those with good jobs and those in the contingent work force may result. Furthermore the ability of governments to manage these divisions may be limited if current trends continue. What is needed is a set of innovative approaches by all parties in the economy that will address both the work and the related implications of change.

5.9 SUMMING UP

There is growing evidence that shadow employment will be a permanent feature of the labour market. But there has been very little work on what these labour market developments mean for public policies and programs, such as Employment Insurance, public pension programs, child-care arrangements or tax policies. However, it is of increasing interest to policy makers, especially in relation to the economic security of women who are much more likely than men to spend extended periods in contingent work or shadow employment.

5.10 GLOSSARY

Migrant: Migrant is usually defined as a person who has moved from one politically defined area to another similar area. In Indian context, these areas are generally a village in rural and a

town in urban. Thus a person who moves out from one village or town to another village or town is termed as a migrant provided his/her movement is not of purely temporary nature on account of casual leave, visits, tours, etc.

5.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. As per the India Second Shadow NGO Report on CEDAW coordinated by National Alliance of Women 2006, the Mid Term Appraisal of the 10th Plan recognizes the vulnerability of women workers: “the feminization of poverty and the exploitation of women in low paid, hazardous and insecure jobs in the unorganized sector and in the export processing or special economic zones. According to the NSS 55th Round (1999-2000), women casual workers in urban areas are more vulnerable to poverty compared to not just their male counterparts but also to workers, both female and male in other employment categories.” In the paid informal sector where a large number of workers struggle for long hours without minimum wages, overtime pay, sick leave and even maternity leave for women workers(Second NGO shadow report on CEDAW; iwrai ap.org/pdf/India).

Check Your Progress Exercise 2

1. A study of female-dominated home care work in Ontario indicated that jobs designated as less skilled, lower paying and casual were filled by racial minority and Aboriginal women of low economic class (Denton et al. 1998). Another study (Badets and Howatson-Leo 1999: 21) showed that in the 1990s, recent immigrants, three quarters of whom were racial minorities, not only worked more in shadow employment arrangements, but were also stuck longer in those types of jobs. Statistics Canada says low participation rates of recent immigrant women may, in part, reflect the fact that many of these women came here as either family class immigrants, or spouses or dependants of economic immigrants rather than as primary economic class applicants themselves.

Check Your Progress Exercise 3

1. There is some evidence that a shift to various forms of shadow employment is now a permanent feature of the Canadian labour market. This development has been attributed to trade liberalization, globalization, technological change and a general restructuring of the labour market and the economy. Manufacturers who have shifted to a just-in-time

delivery are looking for a just-in-time work force that is flexible and adaptable to rapidly changing needs.

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Canadian feminist alliance; www.fafai.org/files/fafia_canada_cedaw_2008

5.13 QUESTIONS FOR REFLECTION AND PRACTICE

1. Discuss the shadow employment issues in United States and Canada with suitable examples

UNIT 6 SEARCH THEORIES

Structure

- 6.1 Introduction
- 6.2 Objectives
- 6.3 Implications of the Search Model
- 6.4 Job search by workers
- 6.5 Theories related to wage exploitation
- 6.6 Summing Up
- 6.7 Glossary
- 6.8 Answers to Check Your Progress Exercises
- 6.9 References
- 6.10 Questions for Reflection and Practice

6.1 INTRODUCTION

A large amount of job switching occurs in the labor market. Individuals search for jobs for a variety of reasons. Firms may suffer a decrease in demand and lay off workers who then search for new employment. For a given occupation, earnings and other working conditions differ widely within a city or even a firm. As a result, workers search for jobs that offer them better combinations of wages and job characteristics.

Two major characteristics of the labor market contribute to the need for people to search for the best job offer and for firms to search for employees to fill job vacancies: these are jobs and workers being heterogeneous, which means no two jobs or two workers have identical characteristics and secondly, labor market information being imperfect, which means that in reality, labor market information is imperfect and costly to obtain. Recognizing that workers are heterogeneous, firms search the labor market to find those workers who are best suited for employment. Similarly, workers gather information about prospective job opportunities by scanning 'help wanted ads', writing letters, inquiring at business establishments and so forth. These search efforts by firms and prospective employees involve direct costs and opportunity costs of time. Furthermore, the activity of gaining information eventually will yield diminishing returns. Translated into costs, this implies that the marginal cost of obtaining information will increase as more of it is sought. The fact that information is imperfect and increasingly costly to obtain has important implications for labor market activity and the wage structure. Specifically, it implies that a range of wage rates may exist for any given occupation, independently of compensating differentials; in short, it means wage rate distributions and when changes in demand cause wage differentials, long-run supply adjustments are likely to be slow thus termed as lengthy adjustments periods.

6.2 OBJECTIVES

After studying this Unit, you should be able to:

- explain the search model for employment search;
- analyze the implications of search model in employment; and
- examine the theories related to wage exploitation.

6.3 IMPLICATIONS OF THE SEARCH MODEL

Inflation and job search examines two distinct circumstances assuming initially that the rate of inflation is zero and that the economy is operating at its natural levels of output and unemployment.

1. Expected inflation where the actual rate of inflation matches the expected rate, job searchers will not be influenced by the inflation. Their average length of job search will remain constant and therefore the unemployment level will stay at the natural rate.
2. Unexpected inflation where actual rates of inflation that exceed expected rates may temporarily reduce unemployment below its natural rate.

Unemployment compensation and job search focuses on unemployment benefits provided by government or past employers or both will increase the extent of unemployment by enabling unemployed people to search for higher wage offers at less net cost. Thus, the individual's optimal length of job search therefore increases and the overall rate of unemployment in the economy rises.

Other implications of the search model are that firstly, a prospective worker may not accept the initial job offer or even seek available jobs that pay below the acceptance wage. This fact helps explain the presence of considerable overall unemployment. Secondly, longer the expected length of tenure on the job, higher a person's acceptance wage, all else being equal. Thirdly, random luck will play a part in the wage and earnings distribution in the economy where an individual may receive the highest wage offer in the frequency distribution on the first try; while another may get a lower offer, continue to search and finally accept an offer above the acceptance wage but below the highest wage in the distribution. Fourthly, the level of employment is partly a function of the overall demand for labor. During recessions, the length of time required to discover each wage offer rises because very few firms are hiring workers. Moreover, if job searchers perceive a recession to be temporary, they may retain their acceptance wages, thereby prolonging their job search and contributing to a rise in unemployment.

Few other factors also influence the duration of job search. Blacks tend to have a longer job search than whites. Though union workers have a higher acceptance wage, there is only weak evidence that they have a longer job search than nonunion workers. (Devine and Kiefer (1993) op. cit) Older workers tend to

have longer job searches than younger workers. This probably occurs because they face a wider range in wage offers than younger workers and thus the return to job search is greater. (Solomon W. Polachek and W. Stanely Siebert, the economics of earnings (Cambridge, England: Cambridge University Press, 1993),

The most natural context for a search arises in markets in which agents have incomplete information about market opportunities. It is therefore characterized by uncertainty and dynamics, extending over several periods. The elemental job search model describes the behavior of an unemployed worker faced with a distribution of wage offers, from which the searcher attempts to find the largest such offer with a costly search.

6.4 JOB SEARCH BY WORKERS

There exist two plausible abstract characteristics as in practice workers are faced with a large number of job search methods.

1. There is an element of ‘sampling’ which is due to the impossibility of locating all job offers in reasonable time. A decision must be made as to which firms are to be approached.
2. The number of firms to be sampled and the degree of intensity of the search is another problem, which is related to the cost involved for the search.

The amount of search has two dimensions, intensive and extensive. Time being divided into equal intervals or periods is associated with the intensity of search with the amount of activity within a period. The number of periods over which search is to be carried out is associated with the extensive dimension. The amount of search in both the above cases is endogenous and governed by the perceived benefits of the search relative to search costs. (C.J.McKenna, The Theory of Search in Labour Markets chp 3, Theory of Search)

Before setting out on a day’s searching, an individual decides on how many firms to approach before calling off the search. We assume that the firms are sufficiently close together geographically so as to make it possible to sample a very large number during the course of a day. Moreover, we assume that the individual is concerned not merely with finding a vacancy, but with finding a job offering a high wage - the higher the wage, the better. Since the searcher has decided that a job must be chosen by the end of the day’s search, the problem is obviously to choose the number of firms to be sampled and then to select the highest wage from amongst the firms approached. ‘Search’ is the only way of finding out any particular firm’s wage offer, although the distribution of offers is assumed to be known, and it costs a fixed known amount to sample each firm. In the absence of further guides on which firm to choose, the searcher selects the sample randomly. Once the desired number of firms has been approached, only then does the worker

select the highest wage offer (at no additional cost), and on application to the firm is certain to be offered the job.

Although highly stylized (and even contrived), this story at least contains the key-ingredients that we expect to motivate search. There are costs of search but also gains to search represented by the wage offer distribution. Furthermore, we expect intuitively that larger sample sizes are more likely to contain higher wages and hence offer greater expected rewards. A simple numerical example from Joll et al (1983) will serve to illustrate how the costs and (expected) returns to search combine to determine the best or optimal sample size for the searcher to take.

Suppose that there are 155 firms in a locality offering weekly wages between £120 and £160. The table shows the assumed distribution. Column 1 shows the weekly wages on offer, column 2 the number of firms offering each wage and finally, since each firm is selected randomly the relative frequency of each wage is interpreted as the probability of obtaining each wage, $Pr(W)$

Costs and return to search

(1) Wage	(2) Number of firms	(3) Relative frequency or $Pr(W)$
120	2	$2/155 = 0.0129$
125	7	$7/155 = 0.0452$
130	14	$14/155 = 0.0903$
135	28	$28/155 = 0.1806$
140	40	$40/155 = 0.2581$
145	26	$26/155 = 0.1677$
150	20	$20/155 = 0.1290$
155	15	$15/155 = 0.0968$
160	3	$3/155 = 0.0194$
	155	1.0000

The above table provides all the information required to calculate the expected return to search - hence the importance of knowing the wage-offer distribution. Given the nature of the search process assumed - random selection of a fixed number - the problem is to choose the size of sample which gives the greatest expected return net of search costs. For each possible sample size, we need to calculate the expected return. Several things require clarification here. Selecting a particular sample size does not guarantee a unique return. This expected return is simply the expected (or mean) value of the distribution, $E(W)$. The formula for the mean, using elementary statistics, is:

$$E(W) = \sum [W_i Pr(W=W_i)]$$

$$= 141.2225$$

Although £ 141.2225 is not available in the market, we infer from this that a single sample of size one can be expected to offer a wage of £ 140. We develop the idea of the expected value further presently.

A second issue is the nature of the return, contained in a sample of any given size. Our story tells us that the searcher is only interested in the maximum wage in any given sample. The expected return of interest then relates to the expected maximum of samples of any given size. We denote this quantity as $E(\max W/n)$ (reads; expected maximum wage is the only wage in the sample and so:

$$E(\max W/n=1) = E(W) = £141.2225$$

To calculate other expected sample maxima, we proceed as follows. Consider samples of size 2 and list all possible samples. Column (1) of the table below does this for selected samples. Taking account of order and assuming sampling with replacement, calculate the probability is the product, $\Pr(W=120) * \Pr(W=125)=0.0129 * 0.0452=0.00058308$. Column (2) of this table shows some of the results.

Expected maximum wage offer from samples of size 2

(1) Wages in sample of size 2	(2) Probability of sample	(3) Maximum wage of each sample	(4) (2)*(3)
(120,120)	0.00016641	120	0.0199692
(120,125)	0.00058308	125	0.0728850
(125,120)	0.00058308	125	0.0728850
(125,130)	0.00116487	130	0.1514331
(130,125)	0.00116487	130	0.1514331
.	.	.	.
.	.	.	.
.	.	.	.
(160,160)	0.00037636	160	0.0602176
	1.00000000	$E(\max w/n=2)=146.0451200$	

Column (4) takes the product of the probability of each sample and the maximum wage in each sample. The sum of all items in the column represents the quantity of interest - the expected maximum wage offer from samples of size 2 (we have omitted most of the possible samples as there are 81 possible samples of size 2). A similar procedure is possible for samples of size 3, 4 and so on, although the computations become more cumbersome and require a short computer programme to complete in reasonable time. Third table produces the expected maximum of samples up to size 4 in column (2).

Notice from the third table that the expected maximum wage from samples of size 2 is larger than that from samples of size 1, or

$$E(\max W/n=2) > E(\max W/n=1)$$

so that our intuition about increased (expected) benefits from increased sample size is correct. Clearly, as n becomes larger, $E(\max W/n)$ will approach £160-the highest wage available. Notice however, from the third table that the additional expected return to increasing the sample size falls so that there are diminishing marginal returns to increasing the sample size.

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. What are the implications of job search model?

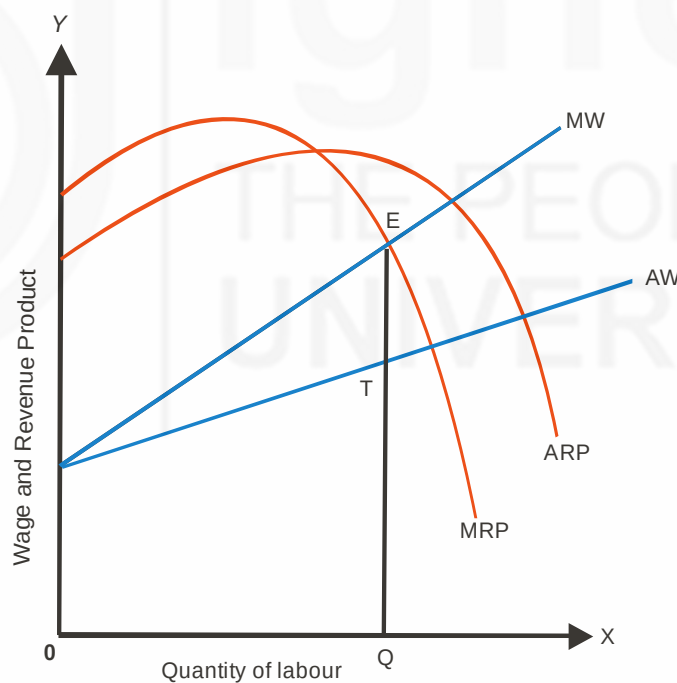
6.5 THEORIES RELATED TO WAGE EXPLOITATION

A systematic explanation which depicts the manner in which workers are exploited at higher levels of education can be explained by the Marx exploitation theory of wages or the theory of Surplus Value. According to Marx (1971), a worker in a labour market gets exploited when any part of the return i.e., the value of the service or commodity produced by the worker determined by the labour used in its production (for example, profit) is withheld or appropriated by the capitalist. He points out that labour as a matter of fact is paid an amount which is just sufficient to maintain himself and his family. Wages held at the subsistence level is in fact, by the impact of the ‘reserve army’ of the unemployed and also because labour is a perishable commodity. Marx also states that with a greater appropriation of surplus value and a greater degree of exploitation, larger amount of capital is accumulated and more technological improvements are brought about

leading to a large army of unemployed workers. This process of exploitation of the workers will continue till the mass misery, oppression, slavery and degradation of the working class becomes so high that they stand up united to expropriate the expropriators.

The common belief is that exploitation arises due to the unequal bargaining strength of the employers and the employees which can only be remedied by the action of the unions or the state which places the workers on equal footing with the employer in the bargaining process. However, in many cases the basic cause of exploitation was the lack of perfect elasticity of supply or demand for services and labours or may be both.

Figure 6
Exploitation of Labour



Source: King G. and Briggs (1984): 'Labour Economics' Richard D. Irwin Inc. Homewood, Illinois.

Figure 6 explains this concept of labour force exploitation. According to Joan Robinson, exploitation by way of lower remunerations takes place when the

Marginal Revenue Productivity of labour is greater than the Average Wage paid to the worker ($MRP > AW$). It is clear that the Average Wage paid to the quantity of labour employed (OQ) is equal to (TQ) which is less than the Marginal Revenue Productivity shown as (EQ) in the diagram which depicts the exploitation of the labour. It is natural that when the employer enjoys a monopoly of purchasing a factor, he must pay the labour as little as possible.

Wage exploitation especially among the minority workers (females) also arises due to the payment of a part-time wage which is lesser than the reservation wage. 'Reservation Wage' is the minimum wages which a job searcher has in mind when he/she opts for a particular job choice. This concept has been formalized by the famous job search theory. Stigler's Job Search Theory (1968), explains that at any moment the status of the job-seeker may change according to the discounted utility expected upon receiving an offer of employment, called as the Reservation Wage. Conversely if these job-seekers receive no such offers, as the contractual wages vary from institution to institution, he or she keeps looking for jobs which offer a wage closest to their conceptual reservation wage. These non participants categorized as the 'disadvantaged workers' could turn into 'discouraged worker' when they do not receive a wage nearest to which they have perceived.

The job search theory is relevant to the labour market behaviour of women teachers since they are looking for work in a situation of imperfect information. Most educated women are found searching for a job which offers them a decent remuneration even on contractual terms and conditions in the labour market of higher education. The model furnishes precise conclusions about the effect of a change in the environment or economic policy. Changes in the terms and conditions of employment caused due to the cost cutting strategies in relation to SAP had adversely affected the market value of teachers participating in higher education sector which has led to not only the devaluation of degrees but also job insecurity.

In job search model, the optimal strategy of a person looking for work consists simply of choosing a reservation wage that represents the lowest remuneration which the job searcher will accept (Cahuc and Zylberberg, 2004). The basic job search model aims to describe the behaviour of an unemployed person who dedicates all the efforts to looking for a job, when the conditions in which this search takes place do not vary over time.

The main hypothesis of the job search model is that the job-seeker does not know exactly what wage each job pays. We assume that the job-seeker knows only the cumulative distribution of the possible wages. Let $H(.)$ denote the cumulative distribution function of all possible wages. We further assume that this distribution is the same at each date and that successive wage offers are independent draws from this distribution. At any time, a person looking for work faces the same structure of information.

Let constant real wage be represented by (w) . Let the instantaneous utility be denoted by (w) . This means that over a short interval of time, dt in length, the agent attains a level of instantaneous satisfaction equal to $w dt$. Let us further assume that over each short interval of time dt , any job whatsoever can disappear at the rate $q dt$, where $q > 0$ is a constant exogenous parameter. Over each short interval of time dt , a waged worker thus loses his or her job at the rate $q dt$. Let us assume that the real instantaneous rate of interest r is constant and exogenous. A single dollar invested in the financial market on date t brings in $1+r dt$ dollars in $t+dt$. The discounted value of a dollar at date t that will be available at date $t+dt$ is thus equal to $1/(1+r dt)$. The term $1/(1+r dt)$ thus represents the discounted expected utility V_e of employed person receiving wage w satisfies the following relation:

$$V_e = \frac{1}{1 + r dt} [w dt + (1 - q dt) V_e + q dt V_u] \dots\dots\dots(1)$$

This relation indicates the discounted expected utility stemming from being hired is equal to the discounted sum of the flow of income $w dt$ over the interval of time dt , and the discounted expected future income. With probability $(1 - q dt)$ this future income dose coincides with the expected utility V_e associated with continued employment and with complementary probability $q dt$ it conforms instead to V_u , the discounted expected utility of an unemployed person.

Multiplying the two sides of (1) by $1 + r dt$ and rearranging the terms of this expression, we arrive at:

$$rV_e = w + q(V_u - V_e) \dots \dots \dots (2)$$

This equation is easy to interpret. It shows that, at every moment, a job entails discounted expected flow of income rV_e equal to wage w , to which is added average income $q(V_u - V_e)$ deriving from a possible change in the employee's status. This average income is in fact a loss resulting from the wage worker quitting his job.

Equality (2) allows us to express the discounted expected utility of an employee receiving wage w - which we shall hence forth denote $V_e(w)$ in the following manner:

$$V_e(w) - V_u = \frac{w - rV_u}{r + q} \dots \dots \dots (3)$$

It is thus apparent that the difference between the expected utility of an employee and that of an unemployed person rises with the wage accepted and falls with the discounted expected utility of the unemployed person. Let us assume that a job-seeker can only meet a single employer on any date (Mortensen, 1986). The employer offers the job-seeker the constant wage w over the duration of his or her employment, which he or she is free to accept or refuse. The optimal job search strategy is then as follows:

1. If the job-seeker receives no offer on date t , he or she continues looking. This behaviour results from the stationarity of inter temporal utility V_u .
2. If the job-seeker receives a wage offer w , he or she accepts if $V_e(w) > V_u$. If not he or she continues looking.

Since a job-seeker's expected utility V_u does not depend on a particular wage offer w , relation (3) shows that $V_e(w)$ is an increasing linear function of the wage offered. This relation also shows that phase 2 of the search strategy amounts to the adoption of a "stopping rule" that dictates accepting wage w if and only if it is superior to a threshold value x defined by:

$$x = r V_u \quad \dots\dots\dots (4)$$

The acceptance of an offer equal to x procures for the job-seeker the same level of utility that he or she gets by remaining unemployed ; in other words, $V_e(x) = V_u$. Wage x continues to be called the reservation wage. Let V_u specify the discounted expected utility of a job-seeker. Moreover, the search for a job entails costs at every turn.

$C > 0$, sums up all such costs.

Let the gains associated with periods of looking for work such as unemployment benefits, and also perhaps the consumption of domestic production and leisure be denoted by $b > 0$, the net instantaneous income from looking for work denoted by z , is then equal to $(b-c)$.

At any moment if the seeker of job actually receives an offer, he or she will not accept unless the wage that goes with it is more than his or her reservation wage x . The discounted utility V – expected upon receiving an offer of employment is thus equal to

$$V = \int_0^x V_u dH(w) + \int_x^{+\infty} V_e(w) dH(w)$$

Conversely, if the job – seeker receives no offers, he or she keeps looking, which procures for him or her, a discounted expected utility equal to V_u . Now, during a short interval of time dt in length, a job-seeker gains $z dt$ and has a probability λdt – of receiving a job offer. In the stationary state, his or her expected utility thus satisfies

$$V_u = \frac{1}{1 + r dt} [z dt + \lambda dt V_\lambda + (1 - \lambda dt) V_u]$$

By multiplying the two sides of this equality by $1 + r dt$ and rearrange terms, we find that a job – seeker’s discounted expected utility is defined by the following trade off equation:

$$rV_u = z + \lambda \int_x^{+\infty} [V_e(w) - V_u] dH(w) \dots\dots\dots(5)$$

Like relation (2), defining an employee’s discounted expected utility, this equation also has to be interpreted by examining the various ways the assets V_u of an unemployed person may be invested. In the “financial” market these assets will bring in rV_u at any moment while if “invested” in the labour market they will procure income z augmented by the value $(V - V_u)$ of the average gain linked to the change of status of a person who is looking for work.

With the help of relations (3) and (4), which define respectively the inter-temporal utility $V_e(w)$ of an employee and the reservation wage x as function of the discounted expected gain V_u of an unemployed person, we arrive at the following equation. It characterises the reservation wage as a function of the parameters of the model:

$$x = z + \frac{\lambda}{r + q} \int_x^{+\infty} (w - x) dH(w) \dots\dots\dots(6)$$

We can allow a) that there is only one optimal value for this reservation wage and b) that it maximises the inter-temporal utility of a job-seeker. For that, we need merely observe that relation (5) defines V_u as a function of x and verify that the derivative of this function is null for the value of x given by (6). This way of characterizing the reservation wage is instructive for it brings out clearly the optimality of the search strategy adopted by the job-seeker.

The values of two other important variables flow from knowing the reservation wage. These are the “hazard rate” or the exit rate from unemployment and the average duration of unemployment. Since a job-seeker become employed when a) he or she receives a wage offer – which occurs at rate with probability – $(1-H[x])$ - and b) the offer is at least equal to his or her reservation wage –which occurs with probability $\{1 - H(x)\}$ the exit rate from unemployment takes value $[1-H(x)]$ at any moment. When the number of job-seekers is large, this rate approaches the hazard rate. The average duration of unemployment, denoted T_u , is then given by:

$$T_u = \frac{1}{\lambda [1 - H(x)]} \dots\dots\dots(7)$$

From (7) it is clear that the average duration of unemployment is an increasing function of the reservation wage.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Discuss Marx theory of wage exploitation.

6.6 SUMMING UP

In this Unit, we have the existing status of labour and the Implications of the Search Model. Apart from this we have discussed how workers are searching the job and what is the prevailing situation of the market with regard to job search in the globalized era. We have also discussed theories related to wage exploitation.

6.7 GLOSSARY

Structural Adjustment Programme(SAP): Structural Adjustment Programmes (SAPs) are economic policies for developing countries that have been promoted by the World Bank and International Monetary Fund (IMF) since the early 1980s by the provision of loans conditional on the adoption of such policies. Structural adjustment loans are loans made by the World Bank. They are designed to encourage the structural adjustment of an economy by, for example, removing “excess” government controls and promoting market competition as part of the neo-liberal agenda followed by the Bank. The Enhanced Structural Adjustment Facility is an IMF financing mechanism to support of macroeconomic policies and SAPs in low-income countries through loans or low interest subsidies.

SAPs policies reflect the neo-liberal ideology that drives globalization. They aim to achieve long-term or accelerated economic growth in poorer countries by restructuring the economy and reducing government intervention. SAPs policies include currency devaluation, managed balance of payments, reduction of government services through public spending cuts/budget deficit cuts, reducing tax on high earners, reducing inflation, wage suppression, privatization, lower tariffs on imports and tighter monetary policy, increased free trade, cuts in social spending, and business deregulation. Governments are also encouraged or forced to reduce their role in the economy by privatizing state-owned industries, including the health sector, and opening up their economies to foreign competition.

One important criticism of SAPs, which emerged shortly after they were first adopted and has continued since, concerns their impact on the social sector. In health, SAPs affect both the supply of health services (by insisting on cuts in health spending) and the demand for health services (by reducing household income, thus leaving people with less money for health). Studies have shown that SAPs policies have slowed down improvements in, or worsened, the health status of people in countries implementing them. The results reported include worse nutritional status of children, increased incidence of infectious diseases, and higher infant and maternal mortality rates.

An acceptance of the problems associated with SAPs is reflected in the post-Washington consensus and similar thinking that promotes economic reform while protecting and possibly increasing social expenditure.

Stabilization measures are closely related to SAPs policies and are taken to reduce the national rate of inflation. They usually include cutting the budget deficit and improving the balance of payments. Such measures are often made a condition for HIPC countries to obtain fresh loans or further assistance and are therefore a part of the conditionality clause.

6.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. A. Expected inflation where the actual rate of inflation matches the expected rate, job searchers will not be influenced by the inflation. Their average length of job search will remain constant and therefore the unemployment level will stay at the natural rate.
- B. Unexpected inflation where actual rates of inflation that exceed expected rates may temporarily reduce unemployment below its natural rate.

Unemployment compensation and job search focuses on unemployment benefits provided by government or past employers or both will increase the extent of

unemployment by enabling unemployed people to search for higher wage offers at less net cost. Thus, the individual's optimal length of job search therefore increases and the overall rate of unemployment in the economy rises.

Other implications of the search model are that firstly, a prospective worker may not accept the initial job offer or even seek available jobs that pay below the acceptance wage. This fact helps explain the presence of considerable overall unemployment. Secondly, longer the expected length of tenure on the job, higher a person's acceptance wage, all else being equal. Thirdly, random luck will play a part in the wage and earnings distribution in the economy where an individual may receive the highest wage offer in the frequency distribution on the first try; while another may get a lower offer, continue to search and finally accept an offer above the acceptance wage but below the highest wage in the distribution. Fourthly, the level of employment is partly a function of the overall demand for labor. During recessions, the length of time required to discover each wage offer rises because very few firms are hiring workers. Moreover, if job searchers perceive a recession to be temporary, they may retain their acceptance wages, thereby prolonging their job search and contributing to a rise in unemployment.

Few other factors also influence the duration of job search. Blacks tend to have a longer job search than whites. Though union workers have a higher acceptance wage, there is only weak evidence that they have a longer job search than nonunion workers. (Devine and Kiefer (1993) op. cit) Older workers tend to have longer job searches than younger workers. This probably occurs because they face a wider range in wage offers than younger workers and thus the return to job search is greater. (Solomon W. Polachek and W. Stanely Siebert, the economics of earnings (Cambridge, England: Cambridge University Press, 1993),

The most natural context for a search arises in markets in which agents have incomplete information about market opportunities. It is therefore characterized by uncertainty and dynamics, extending over several periods. The elemental job

search model describes the behavior of an unemployed worker faced with a distribution of wage offers, from which the searcher attempts to find the largest such offer with a costly search.

Check Your Progress Exercise 2

1. A systematic explanation which depicts the manner in which workers are exploited at higher levels of education can be explained by the Marx exploitation theory of wages or the theory of Surplus Value. According to Marx (1971), a worker in a labour market gets exploited when any part of the return i.e., the value of the service or commodity produced by the worker determined by the labour used in its production (for example, profit) is withheld or appropriated by the capitalist. He points out that labour as a matter of fact is paid an amount which is just sufficient to maintain himself and his family. Wages held at the subsistence level is in fact, by the impact of the 'reserve army' of the unemployed and also because labour is a perishable commodity. Marx also states that with a greater appropriation of surplus value and a greater degree of exploitation, larger amount of capital is accumulated and more technological improvements are brought about leading to a large army of unemployed workers. This process of exploitation of the workers will continue till the mass misery, oppression, slavery and degradation of the working class becomes so high that they stand up united to expropriate the expropriators. The common belief is that exploitation arises due to the unequal bargaining strength of the employers and the employees which can only be remedied by the action of the unions or the state which places the workers on equal footing with the employer in the bargaining process. However, in many cases the basic cause of exploitation was the lack of perfect elasticity of supply or demand for services and labours or may be both.

6.9 REFERENCES

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Job Search: External and Internal chp15

6.10 QUESTIONS FOR REFLECTION AND PRACTICE

1. Examine the job search by workers with the help of Jolly et al illustrations.
2. Discuss theories related to wage exploitation

UNIT 7 The Indispensability of Voice Organizing for Social Protection in the Informal Economy

Structure

- 7.1 Introduction: Rights codes and standards
- 7.2 Objectives
- 7.3 Gender and core labour standards: perspectives from Informal economy
- 7.4 Voice, visibility and collective action in the informal economy
- 7.5 New Unionism and women workers in the export sector
- 7.6 examples from Latin America and the Caribbean
- 7.7 Examples from Asia
- 7.8 Straddling struggle and development: SEWA and the Hybrid model
- 7.9 Mobilizing around the right to shelter: Urban experiences
- 7.10 Organizing the ‘Doubly excluded’ in the informal economy
- 7.11 informal workers
- 7.12 Waste picking
- 7.13 The ‘Doubly excluded’ in the informal economy : Migrant workers
- 7.14 Transnational activism
- 7.15 Summing up
- 7.16 Glossary
- 7.17 Answers to Check Your Progress Exercises
- 7.18 References
- 7.19 Questions for reflection and practice

7.1 INTRODUCTION: RIGHTS CODES AND STANDARDS

The focus so far has been on a variety of instruments and measures that are conventionally associated with social protection objectives. In this Unit, we shift our attention to a set of issues that feature somewhat more sporadically in the social protection literature - despite evidence that they should be regarded as indispensable. Rights, representation and voice are among the defining principles of the International Labour Organization’s (ILO) decent work agenda, and

their absence is responsible for 'decent work deficit' in the informal economy. The question of workers' rights has been brought to the forefront of public debates as a result of the same processes of globalization that brought home the need for protective measures for vulnerable groups. Fears about 'a race to the welfare bottom' are increasingly expressed in international forums, particularly by organizations representing unionized workers in the North and South who have seen their statutory social protections weakened as governments de-regulate labour markets in pursuit of global competitive advantage.

As the UN body directly responsible for labour issues, the ILO has played a frontline role in global deliberations about this deterioration in workers' rights and working conditions across the world. In 1998, the International Labour Conference adopted the ILO Declaration on the Fundamental Principles and Rights at Work, which spelt out four 'core' labour standards to apply to all workers, regardless of the degree of formality of their work status and levels of development of their countries:

- Freedom of association and the right to collective bargaining;
- Elimination of all forms of forced or compulsory labour;
- Effective abolition of child labour; and
- Elimination of discrimination with respect to occupation and remuneration.

However, the declaration came at a time when the capacity of governments to enforce these standards---assuming political will on their part---had been weakened by structural adjustment policies while the burden of debt repayments had reduced the resources at their disposal. Trade unions too face a declining membership and hence a dwindling of their traditional source of power. According to a 1996 ILO survey, trade union membership had declined in 72 out of 92 countries. It had never exceeded 10 per cent of the workers in most developing countries but it went down to 13 per cent in the USA and only reached rates of 25 per cent in some European countries.

One response on the part of unions, particularly those associated with the International Confederation of Free Trade Unions (ICFTU), has been to demand that the World Trade Organization (WTO) enforce a 'social clause' as part of international trading rules. This would allow trade sanctions to be imposed on governments that fail to uphold the core labour standards in their countries. However, most developing country governments have resisted the social clause as a form of disguised protectionism, and the demand has also divided the international

labour movement. Another response has been the organization of a number of high-profile campaigns that have brought trade unions into coalitions with NGOs, concerned consumer groups, church-based organizations, women's groups, human rights groups and student activists. These have used adverse publicity to 'name and shame', lobbied governments and resorted to boycotts to draw attention to the exploitative practices of multinational corporations and put pressure on them to comply with core labour standards, regardless of where their workers might be located in global value chains.

Companies have responded to this adverse publicity by developing their own codes of conduct, which generally incorporate the ILO standards along with their own health and safety rules and other requirements. The rapid proliferation of codes as each company draws up its own has in turn given rise to efforts to streamline these into a smaller number of standardized codes that different companies can sign up to. The SA8000 in the United States and the Ethical Trading Initiative (ETI) in the United Kingdom are examples of this. They have brought together representatives of business, NGOs and trade unions to agree on basic codes of conduct that can be used globally.

However, international campaigns have tended to organize their strategies around global value chains, focusing their attention on wage workers in the 'traded' sectors of the global economy. Moreover, while codes of conduct have been found to have had some influence with intermediaries and suppliers directly connected with multinational corporations, this influence begins to evaporate at the less visible, further removed and more informal stages of the value chain where the poorer workers are located (Kabeer and Mahmud 2004). A recent assessment of the ETI carried out in Costa Rica, India, South Africa and Vietnam testified to the partial nature of its impact: certain clauses (health and safety) of the ETI code were more likely to be implemented. than others (right to association and gender equality); implementation varied considerably by sector, by company and by country; and most changes failed to reach the more casualized sections of the workforce located lower down the value chain (Barrientos and Smith 2006).

7.2 OBJECTIVES

After studying this Unit, you should be able to:

- understand the basic elements of an organization structure;

- differentiate between formal and informal organization structures;
- appreciate the various factors impinging upon the design of an organization structure;
- familiarize you with different types of organizational structures and the advantages and disadvantages of each; and
- develop an understanding of the issues involved in designing a service organization.

7.3 GENDER AND CORE LABOUR STANDARDS: PERSPECTIVES FROM THE INFORMAL ECONOMY

These largely northern-led campaigns to promote labour standards have paid little or no attention to workers in the informal economy, particularly to those already at the bottom, often detached from global or even local value chains. Research on informal workers suggests that their needs and priorities are only partly captured by international discourses on labour standards and codes of conduct (Blowfield and Jones 1999; Hale 1996; Kabeer and Mahmud 2004; Unni 2004). Nor can it be assumed that women and men in informal markets will share the same needs and priorities, given their location in very different segments of the labour market (Hale 1996). Women's concerns are likely to be shaped to a greater extent by the insecurity of their income flows, the more casual nature of their employment and their greater concentration in self-employment and home-based work. They are also likely to reflect women's need to combine responsibility for childcare and domestic chores with their economic activities. As we have seen in earlier chapters, many women will be earning a living and caring for their families without the support of an adult male breadwinner. Based on her extensive research with women workers in the informal economy in India, Unni(2004) suggests that a charter of rights for such workers would include the right to work together with the right to a minimum level of income, safety at work and basic social security covering health, food, education, shelter, childcare and old age pensions.

Some of these rights have found their way into the constitutions, laws and policies of different countries, but formal recognition does not necessarily translate into practical outcomes. Where public systems of social protection exist, they have been effectively captured by the elites, by public sector workers and by the more organized sections of the working classes. As the ILO puts it, 'People in informal work represent the largest concentration of needs without voice, the

silent majority of the world economy' (ILO 2002a: 71). It is in this sense that 'voice' has to be seen as an integral dimension of social protection, particularly for this vulnerable majority (see Box 7.1).

However, vulnerable and marginalized workers face an apparently intractable conundrum. On the one hand, without some minimum level of basic security, any attempt on their part to exercise voice carries the risk of jeopardizing relationships with landlords, employers, middlemen, subcontractors, police or municipal authorities on whose patronage and goodwill they rely in their pursuit of basic needs and some degree of protection. On the other hand, in the absence of such voice, it is difficult to see how they will be able to alter the terms of these relationships or gain access to alternative ones that entail less extreme forms of dependency.

Box 7.1 The crucial importance of an organized voice

Voice refers to the capacity of people to articulate and advance their needs and interests and to influence critical decision-making processes that affect their lives. The exercise of organised, rather than individual, voice is of crucial importance to the collective bargaining capacity of the working poor in relation to other market players. An organised voice is also essential to ensure the representation of their needs and interests in policy discourse and the extension of existing rights and entitlements to excluded groups. The absence of voice from the design and implementation of social protection measures has frequently served to perpetuate these group's exclusion.

Source: Author

The fact that there is considerable evidence of organization among workers in the informal economy suggests that this conundrum is not insurmountable. While traditional trade union membership may be on the decline, there has been a proliferation of new forms of labour organization, some precisely in response to the challenge of reaching out to workers in the informal economy. In the rest of this chapter, we draw on examples of some of these organisations in order to explore what lessons they might offer in relation to two important questions:

What motivates workers in the informal economy to take collective action on their own behalf, given the possible threat to their jobs and livelihoods?

Give that collective action allows workers to articulate and act on their priorities, what does it tell us about what more inclusive strategies for social protection might look like?

7.4 VOICE, VISIBILITY AND COLLECTIVE ACTION IN THE INFORMAL ECONOMY

Informal Workers and the Limits to Old Unionism

Trade unions have historically played a key role in representing and advancing workers' interests. They evolved in response to the needs and priorities of a workforce that came into existence during an earlier phase of the industrialization of developed countries when mass-based production generated large concentrations of workers on the factory floor. They relied on instruments like the closed shop, collective bargaining and strike action to fight for the interests of their membership. Trade unions as an organizational form could be transplanted with relative ease to developing countries because of the large public sector enterprises and capital-intensive forms of production associated with the early import-substituting orientation of their industrialization strategies.

However, they failed to reach out to the vast majority of workers in these countries who were largely located in informal activities characterized by the absence of a clear-cut employer-employee relationship. Consequently, trade union membership remained confined to a small, relatively privileged and largely male minority of workers in formal employment.

Trade unions in both developed and developing countries subscribed to the prevailing view that informal work was an anachronism from an earlier phase of industrialization, one that would wither away with its spread and modernization. Thus, in the US, the proposed lifting of a ban on homework in certain sectors was opposed by the unions as a step backwards:

Legalized industrial homework will mean a return to unchecked exploitation of separate immigrant workers; a return to the industrial dark wages of our history when the bosses wrote their own rules, the governments shrugged as if helpless, and ordinary working men and women suffered cruelty... Homework is an inherently exploitative system of labour, because it is a cheap way for employers to expand production (Mitter 1994: 39).

In addition, trade unions have frequently perceived informal workers as a threat to their own entrenched privileges. Breman, for instance, describes the attitudes of Indian trade unions towards such workers as one of 'indifference, rising almost to enmity' underpinned by the fear that pressure from below would lead to gradual erosion of the rights gained during a long struggle by

the protected labour(Breman 1996: 247).

However trade unions have been ‘undone by their own privilege¹. Their reluctance to take on the challenge of organizing workers in the informal economy - and the widening gap between their wages and benefits and those of the unorganized workforce - left them vulnerable in the face of globalization, technological change and labour market deregulation. An increasingly footloose capital has been able to take advantage of the fragmentation of production processes to exploit the large reserves of cheap and unorganized labour in developing countries (as well as the flow of cheap migrant labour into developed countries) and to bypass the organized work force.

It has become increasingly clear to the trade union movement that the informal economy is not just a residual from some pre-modern mode of production but an integral and growing dimension Of current processes of globalization, and that their traditional modes of organizing are out of sync with the current organization of work. Many have come to the conclusion put forward by Gallin (2001) that ‘it is impossible to conceive at the present time of organizing a majority of workers at world scale without serious: organizing in the informal sector; (Gallin 2001: 532). Pressures from the international women’s movement and from women within the unions have also led to the setting up women’s secretariats and commissions to promote greater attention to gender issues.

We see evidence of this in the case of the ICFTU. This has been the leading confederation of trade unions at the international level since 1949. Although still located in the North and dominated by northern trade unions, particularly the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), it has been undergoing some important changes in recent years. It has sought to distance itself from its past association with Cold War politics and has responded positively to new forms of unionism in developing countries. It has also begun to make a deliberate effort to include women workers. In 1995, the year of the UN Fourth World Conference on Women in Beijing, it issued a document that declared its commitment to:

a world that is not divided by sexism, racism and xenophobia: these are divisions that undermine our capacity to work together for a better future. We will only realize our human potential when we create conditions of freedom and mutual respect that end domination and exploitation (Waterman 1998: 279).

Its website speaks of equality in the language of gender mainstreaming: ‘Ensuring the full integration of women into trade unions and promoting gender parity in activities and decision-

making at all levels is one of the constitutional aims of the ICFTU’.

In 2002, the AFL-CIO, the Coalition of Labour Union Women and ICFTU launched a 3 year programme intended to help women worldwide organize and to double the number of women workers who were members. In 2006, the ICFTU was merged with the World Confederation of Labour to form a new International Trade Union Confederation that represents 166 million workers, involving 309 affiliated organizations in 150 countries. It is thus the largest organized mass of workers in the world and has considerable potential to be a force for justice in the face of globalization.

Similar efforts to influence trade unions in the direction of greater gender equality are also going on in other parts of the world (see Box 8.2). More generally, however, and as will be evident from some of the discussion in this chapter, unions continue to have ‘an image problem’. Ask Working Women Survey in the USA carried out by the ICFTU’s Women’s Committee in 2001 found that the five most important reasons that women would not join the unions were: they did not understand how unions could help them; they did not have the time, given their family responsibilities; nobody had contacted them; trade unions did not cater to their needs; and they had a negative image of trade unions². An ICFTU-APRO survey of women workers in the Asia-Pacific region in 2000 reported that ‘women workers and union members, for various reasons, are still not enjoying due recognition for their contribution to the union. What women members need most is a sense of belonging identification and security (Shaw 2002: 38).

Box 7.2 Challenging gender inequalities in trade unions

There are efforts to address gender inequality in trade unions taking place in many parts of the world. For example, the Union Women’s Network was set up in Mexico with the assistance of the Social Justice Fund of the Canadian Auto Workers to challenge gender inequalities and strengthen female leadership in the union movement. Constituted as a multi-union network, it has been active in public policy debates over gender equity in the workplace and women’s labour rights, particularly in relation to sexual harassment. It was also active in a collaborative working group of NGOs, academics and union women against sexual harassment and was invited by the Government’s gender equality machinery to conduct training sessions on gender concerns at the workplace. Members of the Network have testified to the value of uniting women from different unions to bring about change in a national union structure that is ‘well-entrenched, undemocratic and patriarchal’. However, progress has been slow: women are still underrepresented in leadership positions and face

resistance to actions that might promote gender equality.

Source: Brickner 2006.

²www.aflcio.org/rmediacenter/prsptm/pr03072002b.cfm, downloaded 26 August 2007.

In any case, the exclusion of large sectors of the world's poorer workers from trade union membership has raised a question mark over the tendency on the part of many, including the ILO and unions themselves, to continue to conflate the right to organize with the right to join a trade union. As an ICFTU document on informal work put it:

A common mistake begins by always thinking of trade unions as already established institutions and not as something that workers can bring into existence themselves through a process. Rights are to be guaranteed to workers, a not trade union ... the central issue in organizing is the effective protection of the right of all workers to organize. It is up to workers themselves to decide whether they want to form their own trade unions or other organizations or join existing trade unions ...(ICFTU 2001 in ILO 2002a: 77).

The failure of trade unions to reach out to the informal economy in the past and its slow progress in the present has given birth to a variety of different kinds of organizations within or in association with, as well as outside, formal trade union structures that have sought to adapt to the specific needs and constraints of informal workers. Many have sought to address the gender biases of the past while others have dedicated their efforts to the organization of women workers.

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Discuss role played by trade union to address the issues of workers.

7.5 NEW UNIONISM AND WOMEN WORKERS IN THE EXPORT SECTOR

One genre of these emerging organizational forms is the 'new unionism', which came about as a response to the growing presence of women workers in the export economy.

Although the enterprises in which these workers are located may be officially classified as formal, we have seen how the majority of their work force is employed under highly informal conditions, lacking written contracts, social security and legal protection.

7.6 EXAMPLES FROM LATIN AMERICA AND THE CARIBBEAN

In the context of free trade zones in the Caribbean, Dunn (1996) found the seeds of these new unions in the relationships established between women workers at work and their extension into the community through visits by union members and meetings in the workers' homes. She follows the history of the San Pedro de Macoris Free Zone Trade Union in the Dominican Republic from its inception through these informal meetings to its successful struggle to get the union recognized by the Government. Such recognition established the base for creating a national union of affiliated trade unions from other zones in the country. Its success was partly due to support given by one of the country's 11 trade federations, which provided it with assistance for legal aid, education and, organizing work.

Women's concerns revolved around their multiple roles as workers, mothers, partners and trade unionists and the stresses of combining motherhood and work. Their vision of what a union could do for them encompassed their personal development, well-being and security as well as their wages and working conditions. Their practical concerns included safety of travel to and from work, particularly late at night and over long distances; sexual harassment at work and domestic violence at home; and their struggles for childcare facilities and child maintenance. Many had felt intimidated by the 'confrontational style of traditional, male dominated unions, which may be less effective for dealing with free zone managers. A more negotiating style would be more effective in improving wages and working conditions, yet reduce the risk of dismissal' Dunn (1996) Mendez (2005) provides a detailed account of the history of the Nicaraguan Working and Unemployed Women's Movement, Maria Elena Cuadra (MEC), which focuses on organizing women workers in the country's maquiladoras from an explicitly feminist standpoint. It was founded in 1994 by women workers who left the Sandinista Workers' Center (CST) in reaction to the deep seated patriarchal culture of its leadership and sought to build an organization that was more in tune with the lives of women workers. Its leadership is made up of women from poor or working class backgrounds who continue to live in poor barrios. It is organized as a network-like structure with centres in different parts of the country and largely funded by international NGOS and Canadian and European labour organizations.

The politics of the founding members of the organization was strongly influenced by the failure of the CST to support a strike in 1993 in which they had participated. Some improvements did take place in the factory but the price was high as many workers lost their jobs. MEC organizers are extremely sensitive to the fear of maquila workers - many of whom are sole providers for their families --- of any tactics that threaten their jobs. Consequently, the organizers have eschewed the 'old' confrontational tactics of demonstrations and strikes, which they see as out of step with the realities of footloose global capital, and do not support the boycott tactics of northern-based campaigns that have often led to job losses. As one of its members said, 'Our people are tired of these confrontational methods. We need to propose alternatives' (Mendez 2005:136).

MEC's slogan is 'Jobs, Yes---but with Dignity' and its strategies revolve around negotiation and lobbying, media campaigns and pushing for change through institutional channels, particularly labour legislation and legal mechanisms. It makes skillful use of 'information politics', relying on its extensive networks within the factories to collect accurate information on wages and working conditions and on their supporters in the media to publicize it. Where this is likely to evoke public sympathy, it plays on women's identities as women and as mothers (often single mothers) rather than as workers. In addition; it provides a variety of training and educational programmes for both employed and unemployed women, including on market-oriented skills, legal rights and social issues such as domestic violence as well as sexual harassment at work and, in response to requests from programme participants, martial arts of self-defence. Workers who have been through some of the training can join the organizations human rights promoters.

7.7 EXAMPLES FROM ASIA

In Bangladesh, the rapid growth of a female factory labour force in the export-oriented garment industry served to challenge traditional ways of organizing workers and. led to the emergence of a number of women-oriented labour organizations, mostly affiliated to a mainstream federation of workers. These include the Bangladesh Independent Garment Workers Union Federation (BIGUF), founded and supported by the Solidarity Centre, which is affiliated to the AFL-CIO in the US, as well as KormojibiNari (Working Women), which is funded by international NGOs and affiliated with one of the progressive political parties in the country. While BIGUF focuses on women workers in the export industry, reflecting the preoccupation of the US trade union movement, Working Women has extended its organizational activities to women workers in

both traded and non-traded sectors as well as in both formal and informal work.

The main difference between these organizations and main-stream trade unions in the country, with whom they increasingly co-operate on industry-wide issues, is their focus on neighbourhood-based organization and their emphasis on legal literacy and the legal process to obtain workers' rights. They also collaborate with a group of NGOs and human rights organizations on policy-related dialogues and joint training efforts. As a result of their successes in the labour courts, the Bangladesh Garment Manufacturers and Employers Association have set up its own arbitration procedures with the co-operation of the unions and employers (Mahmud and Kabeer 2006). The activism generated around the rights of garment workers may also explain the preparation of a new Labour Code that, in keeping with the realities of the economy, extends rights to workers in the informal economy for the first time in the country's history.

In her discussion of the emergence of labour organizations in the free trade zones in Malaysia, the Philippines and Sri Lanka, Rosa (1994) notes the fact that women workers in these zones were often housed in dormitories and hostels by their employers. This provided them with a sense of unity based on shared economic problems as well as the personal problems of everyday life. It gave rise to an early phase of spontaneous collective actions on the part of workers in reaction to on-the-spot situations at work. Their activism drew the attention of the trade union movement, which used its women's committees to act as an intermediary between workers and union organizers. The main energies of this movement went into fighting for the legal rights of workers to organize. One exception was the Kilusang Manggagawang Kababaihan (KMK) in the Philippines, which was affiliated to the larger labour federation-the May First Movement-that had emerged in the struggle for democracy in the Philippines in the 1980s. These origins mean that the KMK went beyond traditional trade union movement demands to also assert women's specific needs and demands, including sexual harassment at work, the use of pregnancy tests and other forms of gender specific discrimination.

Rosa also points to the variety of community based organizations that set up centres aimed at women workers in the free trade zones, some associated with religious groups and others with labour movement associations. The Sahabat Wanita (Friends of Women) and Tenaganita (Women's Workforce) action groups in Malaysia were both explicitly dedicated to the rights of women workers. Both combined education and social services to provide practical assistance and build Workers confidence. They ran courses relating to health and safety as well as

kindergartens in the neighbourhoods in which women workers were located. They also offered courses in English, typing, sewing and public speaking for women as well as provided short-term accommodation for workers who had recently migrated. Tenaganita has become increasingly involved with the promotion of the rights of migrant workers (discussed in the following paragraphs).

China recognizes the All China Federation of Trade Unions as the only legal trade union body. Independent unions are illegal and attempts to form them can be treated as treason. Hong Kong-based groups like the Christian Industrial Council have confined their efforts to the provision of support services such as legal and medical advice to workers in export processing zones. They have also worked with transnational footwear companies to provide health and safety training as one means of gaining access to factory workers. Their concern is not only to deal with workers current problems: 'Our challenge is how to sustain changes for women workers when they go back to the same agricultural and patriarchal family, for example through consciousness raising and micro-credit organizations'(Maquila Solidarity Network 2001).

In the Shenzhen export processing zone (EPZ), the Chinese Working Women Network also uses a community based organizing model to promote the rights of migrant workers (Ngai2004). The Centre for Women Workers was established in 1996 to provide education in labour rights, protection against workplace discrimination, reproductive health education and training for migrants' return. An Occupation Health Education Centre has set up a specialized unit of legal support for migrant workers. The mobile Health Express provides health outreach to migrant women, informing them about potential occupational hazards and advocating for better occupational health safety. It has also begun a co-operative to assist women who want to leave factory work to engage in alternative economic activities.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Discuss any one example of Unionization in Asia.

7.8 STRADDLING STRUGGLE AND DEVELOPMENT: SEWA AND THE HYBRID MODEL

A second genre of activism around working women is represented by organizations that do not confine themselves to particular sectors or occupations but attempt to organize across the informal economy. They have had to adopt hybrid forms of organizational strategies in order to address the range of needs and constraints reported by women workers in different segments of work.

Self Employed Women's Association, India

The self Employed Women's Association (SEWA) provides the main prototype for this genre of work. Jhabvala (1994) highlights the interweaving of three, critical strands of activity in SEWA's approach: trade union activism, co-operative formation and provision of supportive services to its members:

The trade union and the co-operative are two organizations that can carry the movement forward. Both the trade union and the co-operative movements have a history of speaking for the weak and the labouring poor, of fostering a spirit of comradeship and of democracy. The goals of trade unions and co-operatives are the same, but their methods are different. The trade union represents struggle, while the co-operative represents development. The trade union fights while the co-operative builds (Jhabvala 1994: 127).

From the outset, SEWA has provided legal education, that support to members who face periodic encounters with the police and the law, and it runs a legal advisory centre to deal with co complaints and cases lodged by members. Some of its other support services are provided through its co operative structure SEWA. Bank is its largest co-operative which provides credit and savings services to members as well as, in partnership with nationalized insurance companies, an integrated insurance scheme. There are also childcare co-operatives and midwife/health co-operatives.

In addition, the organization uses co-operatives to strengthen its members livelihoods, since security of livelihood is seen as critical to the exercise of bargaining power and voice. For instance, SEWA organizers working with waste pickers in Ahmedabad found that while the pickers had to sell their collections on a daily basis to traders at whatever price they could get, because they lack any storage space, the traders could wait to sell their collections till prices rose (Bhowmik 2005). SEWA arranged for storage facilities for their members so that they could benefit from these higher prices. It subsequently organized some of the waste pickers into, co-

operative to clean offices and collect their waste paper for a regular wage. Another group formed a co-operative to supply and serve food at various social and official functions and to canteens and tea stalls in offices.

SEWA's union activities have included struggles over wages, job security, better working conditions, social security and social services and changes in policy and law. However, these struggles do not generally take the confrontational forms associated with traditional trade activity in India (Bhowmik and Patel 1997). The work with a specific occupational group starts with a survey to identify the main problems of members and then begin a process of informal education to discuss these problems along with their rights and entitlements. These discussions often serve to raise issues around which workers are prepared to take collective action. In an account of SEWA's efforts to unionize tobacco workers, Bhowmik and Patel (1997) recount how a SEWA organizer found that a number of the women had been sacked several years ago for complaining to the Labour Department that they were not getting minimum wage: This had served to cow their fellow workers into silence. The organizer persuaded the workers to take the case to the Labour Department. Rather than engaging in the time-consuming proceedings normally involved, they put their case in writing to the Chief Justice of the State High Court. The court decided to treat the letter as a petition, the Chief justice ordered an investigation and the women were reinstated. The case had a knock-on effect on other employers in the locality and many more workers began to receive the minimum wage

The Minimum Wages Act is one of the few labour laws in India that apply to informal workers, including some categories of home-based workers. SEWA's approach to the issue of minimum wage legislation is tailored to the concerns of a membership that relies on its meager earnings from various non-standard forms of work to make ends meet. It is aware that if it were to demand official minimum wage for its members, the more footloose industries could easily relocate to other places with lower minimum wage rates and less organized workers. SEWA's approach is to first campaign to get minimum wage legislation extended to a particular industry or sector that is not currently covered. Negotiators then sit down with government and employer representatives to agree on a wage level that will not drive employers out of business or the state (see Box 8.3). Renegotiations are carried out every 2 years or so.

SEWA has negotiated with a range of power holders - including employers, police, municipality, middlemen and traders - who impinge on the livelihood activities of its members. It has

influenced the state government's approach to social security, and its leading members have participated in several central Government commissions on issues related to the informal economy. SEWA has also been active at the international level, promoting networks of women's workers organizations (discussed in the following section), and playing an influential role in the passage of the ILO's Home Worker Convention in 1996 and the 2002 Resolution on the Informal Economy.

Self-Employed Women's Union, South Africa

The Self-Employed Women's Union in South Africa was set up in 1993, directly inspired by the experiences of SEWA but also informed by its founder's long history in the trade union movement (Devenish and Skinner 2004). It saw itself as a workers' organization and sought affiliation with the Congress of South African: Trade Unions (COSATU) from its inception, but failed to obtain this as a result of resistance from sections of the COSATU leadership that accused it of discriminating against men.

SEWU was designed on principles of direct democracy with elected leaders at branch, trade committee, regional executive committee and the National Executive Committee levels. It was open to all adult women involved in an economic activity and earning their living by their own efforts, without regular salaried or waged employment and not employing, more than three people on a basis. Its membership was predominantly made up of black women working at the survivalist end of the informal economy. SEWU underwent a shift from a mainly urban to a mainly rural membership and from a predominance of street vendors to home-based workers, with a leadership increasingly of members who had worked their way up from the ranks.

Box 7.3 How SEWA negotiates minimum wages and supplementary benefits for informal workers

The following observations about how SEWA negotiates for the benefit of informal workers were made by a neo-classical labour economist on the basis of his 'exposure visit' to the organization: Because of what I saw on the ground, my professional judgement about minimum wages and supplementary benefits changed. With the standard labour economics model in mind, I had worried that the minimum wage might hurt the very women it was meant to help, because of a loss of jobs. In this context though, the minimum wage does not act as wage floor. It acts as an aspirational target. If bidi rollers earn Rs. 36 per 1,000 bidis and a minimum wage is set at Rs. 80

or 90, there would probably be major job losses. However, the SEWA team is astute enough to take this into account, and so they negotiate for minimum wages, expecting that they will not be paid, at least not now. However, the very fact that a minimum wage is set at so (relatively) high a level strengthens SEWA's negotiating position.

In this context, therefore, the 'minimum wage' is not the usual one of an above-market-clearing payment per unit of time. It is, rather, a negotiated piece rate. Similarly, a Provident Fund, with contributions from employers and workers, is also better seen as an increase in the piece rate. Watching the employers negotiate, they seemed to be quite unconcerned about the effect of the Provident Fund on their costs. It appeared to me that they would continue, as now, to buy up at the negotiated rate as many bidis as the women produce....

Set in this way by negotiators who take full account of possible job losses as well as earnings gains, the minimum wage and Provident Fund are meant to help all of the women in their respective occupations and not, as is often the case in other contexts, insiders at the expense of outsiders.

Source: Fields 2004:36

In its early phase, SEWU focused on negotiations with local government, given the large proportion of its membership who were street vendors, and gained facilities such as shelters and the installation of water supplies and toilet facilities. It placed a great deal of emphasis on policy influence at different levels but its greatest success was in Durban where it was most active. The success of its demands for overnight accommodation, childcare and storage facilities for street traders are evident in the comprehensive set of services provided by the Durban City Council, in contrast to other cities of South Africa.

SEWU also focused on two forms of the training for its membership. It distinguished between skills training related to livelihood activities, accessed through externally accredited trainers andp.4 paid- for by members, and education in broader development empowerment issues, conducted internally and free to all members. Its data shows that it succeeded in encouraging members towards traditionally male-dominated skills, with such skills making UMP of 2,613 courses attended between 1995 and 2003. Its educational programme focuses on organizational skills such as lobbying and negotiation, savings and bank account management, legal literacy dealing with sexual harassment and violence, arid occupation health and HIV/ AIDS issues. The organization also worked be improve market access for its members. Given their resistance to

group lending approaches, it sought to increase access to individual credit and saving facilities, working with existing institution to make them more responsive to informal workers.

Financial sustainability was a major and on-going problem for the organization. It had been set up with funding from into NGOs but placed a great deal of emphasis on organization sufficiency from the outset. Its members were required joining fee as well as monthly subscriptions of Rs 8. Fear of crime and internal corruption led the organization to switch to a debit order system of payments that required members to open bank accounts. However, the initial resistance of the banking sector dealing with poorer clients brought about to a decline in SEWU membership in 1998. While it gradually recovered, it did, not exceed 5,000 members during its existence. In 2004, SEWU had to be liquidated as a result of a financially crippling lawsuit.

In 2005, after the demise of SEWU, COSATU took the decision to launch a new union to organize in the burgeoning informal economy, partly to boost its own stagnating membership.

Check Your Progress Exercise 3

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. How and when self employed women's union in South Africa emerged?

7.9 MOBILIZING AROUND THE RIGHT TO SHELTER: URBAN EXPERIENCES

A third set of organizations that have mobilized women Worker take specific needs as their point of entry rather than specific, occupational groups. Housing emerges as one of the critical needs for low-income household in urban contexts. It represents a source of shelter, a site of production, a form of capital and a secure place within the community. Some recent studies from India also suggest that, for women in particular, housing that is registered in their names can offer protection against domestic violence as the fear of eviction is one of the factors that leads women to live with abusive partners (Batia et al. forthcoming; Panda and Agarwal 2005).

There are a variety of different ways to address the need for shelter, including housing loans and

subsidies, construction of low-cost housing, provision of hostels for working women and so on. This section, however, focuses on attempts to organize informal workers around their housing needs.

Creating an alliance, India

The Alliance in Mumbai is made up of three rather different organizations that are united by their concerns with obtaining secure tenure of land, adequate and double housing and access to essential utilities for their members and by a strong focus on self organized - savings as a daily activity of its membership. The organization, which have been working together since 1986 are the National Slum Dwellers Federation (NSDF), a national community-based organization that has been fighting for housing rights for slum dwellers since 1974; the Society for the Protection of Area Resource Centre (SPARC), an NGO that began work with the urban poor in Mumbai in 1984; and Mahila Milan. Mahila Milan came into existence when the two other organizations realized that their strongest allies in the fight for better housing for low-income households were the women in these households, the majority of whom were engaged in various forms of informal paid work.

A strategic change in organizational direction took place with in the NSDF when the Alliance was formed (Mitlin and Patel 2005). It had been a predominantly male organization engaged in agitation politics that frequently brought it into confrontation with the state. The leadership recognized that their movement had not progressed beyond marches and demonstrations and observed that women, passionately concerned with security of tenure and basic amenities, were more comfortable with the mere pragmatic approach favoured by SPARC. One example of the kind of imaginative tactics used by SPARC comes from its early days when it discovered that pavement dwellers were not entitled to ration cards because they were not considered to have a permanent address, despite the fact that they had occupied their pavement dwellings for several years. SPARC decided to mail post-cards to these pavement dwellings and use this as evidence of a fixed address. As a result of this action, the pavement dwellers were issued with temporary ration cards, with the possibility for renewal after tenure of 18 months (Burra 2000).

The Alliance takes this more pragmatic approach the 'politics- of patience' gives central place to negotiations, self-enumeration and consensus building to achieve its goals (Appadurai 2001). It avoids affiliation to any political parties, working with whoever, is in power, but it has built up long-term relationships with various levels of state bureaucracy that are able to help it in

its work. Members' daily savings activities not only provide a credit fund for the membership but also help to develop interactions between Mahila Milan group leaders and their membership. The organization encourages its membership to undertake, self-surveys, useful not only a tool to clarify who they are, what they do and what their problems are but also as evidence to support the slum dwellers claims to a secure place within the community. Thus when the state needed to clear out dwellings that had sprung up along railway tracks in order to increase railway efficiency, it agreed to resettle, rather than evict, the families who had been living there the need for a process to establish individual household entitlements was met through a community based survey that allowed each of the 30,000 families who had lived in the designated area to be surveyed and enumerated. Finally, the Alliance encourages its members to design and exhibit the kind of housing most suited to their needs as a way of influencing the municipality's efforts to provide low-cost housing.

Networks for the homeless, South Africa

Representatives of the Alliance were present at a meeting comprising women and men from the shacks, backyards and hostels of urban South Africa when the seeds of a similar network for the homeless were sown. The People's Dialogue on Land and Shelter was set up in 1991 as an NGO in response to a decision taken at that meeting to begin organizing to work with the future democratically elected Government of the new South Africa to find solutions to poverty and deprivation rather than assuming that it would be delivered automatically. This viewpoint recognized that democratic rights are often given best effect through conscious organization and action based on the needs of a specific group (Khan and Pieterse 2004:11). The People's Dialogue used and adapted many of the Alliance's features collective planning exercises such as census enumeration, barefoot town planning and house design, using full-scale mock-ups; exchange visits between settlements and internationally; the initiation of collective savings schemes; and the promotion of female leadership.

The success of the People's Dialogue brought together a number of community groups that constituted themselves as the South African's Homeless People's Federation in 1994, a formal network of autonomous community based organizations consisting of 100,000 members, of whom 85 per cent were women, in receipt of monthly incomes of less than ZAR1,000. All member organizations are based in shack settlements, backyard shacks or hostels; all are involved in savings collectives with credit managed at the grassroots level by members

themselves; and all are involved in struggles to attain security of land and affordable housing. To promote the material security of its members, the Federation set up the *uTshani* Fund as a community-managed revolving loan fund, capitalized by foreign donors and government grants, which specializes in extending housing loans and bridging finance for the housing subsidy system. It serves as a conduit for subsidy transfers from the Government to the Federation, extending finance directly to savings collectives. Federation members rely on a combination of the housing subsidy, a small top-up loan and their own savings in order to meet their shelter needs. In most localities, the Federation model of housing delivery outperforms state-facilitated and private sector-driven subsidized housing in size, costs per square metre and quality. Its members provide unskilled labour free of charge for construction and overall management, including financial management. Materials are bought collectively, securing discounts from wholesale building suppliers. Federation self-builders pay more attention to quality than commercial contractors. Case study evaluations testify to some other positive outcomes: a greater degree of ownership compared to the private developer route as evident in a minimal degree of 'resale'; and skills development (including management skills), employment creation and strengthened bonds of trust within communities.

The benefits of this People's Housing Process approach has been recognized by the South African Government and adopted via the internationally funded formation of a People's Housing Partnership Trust within the Department of Housing. While this mainstreaming can be seen as a victory for the approach taken by the Alliance, it has also set up a number of contradictions. The state prioritizes loss avoidance and risk minimization over qualitative housing outcomes and has tended to bypass the community organizations. The Alliance has also paid the price of its own success. Its membership expanded rapidly in response to its proven track record in the provision of housing, with new members attracted by possibility of access to loan funds but paying less attention to the process of daily collective savings as the basic for building the movement. And finally, until 2002, leadership emerged within the Federation through self-selection based on active involvement but with no strict lines of accountability to communities, allowing patronage, mobilization of membership through promise of loans and corruption to go unchecked. Furthermore, as ANC Women's League veterans become involved in leadership positions, the non-partisan stance of the Federation was compromised. In 2002, it was restructured and sweeping leadership changes were executed. Elections to leadership positions replaced

nomination by national core groups and elected officials became employees of the Federation rather than political leaders.

Slum/Shack Dwellers International

The Alliance in Mumbai, the South African Homeless People's Federation, other organizations of slum/shack dwellers and their partner NGOs in countries based in Asia and Africa, including the Asian Coalition of Housing based in Bangkok, came together in 1996 to form Slum/Shack Dwellers International, which comprises over 1 million urban poor living in 11 countries. It plays a supportive rather than leadership role, monitoring and analyzing public policy documents, managing a database generated by federations and fund raising. It worked as a partner with UN's Habitat programme in launching the Secure Urban Tenure Campaign in 2000 and has secure EU funding for a venture fund for poor communities in urban areas to develop pro-poor infrastructure projects that are community-led and controlled (Batliwala 2002).

7.10 ORGANIZING THE 'DOUBLY EXCLUDED' IN THE INFORMAL ECONOMY

Our analysis of labour markets in earlier chapters made it clear that informal work does not constitute a homogenous sector but has its own hierarchies that reflect the nature of the work and the identity of the worker. Gender is only one aspect of this identity. The most exploitative and demeaning forms of work are not only more likely to be carried out by women from low-income households than men but are also more likely to be carried out by workers from marginalized caste, religious or racial groups. These groups of workers are often less visible and harder to reach and do not often feature in the mainstream literature on social protection, although the urgency of their needs is generally in direct proportion to their invisibility in the public discourse. The struggle to organize these workers has been a long and difficult one, but growing interest in the informal economy has allowed their situation to emerge into the public domain.

7.11 DOMESTIC WORKERS

Domestic workers are among these doubly excluded groups of workers. They have had to fight harder than most other groups of women workers to gain support from the mainstream labour movement. The National Union of Domestic Employees (NUDE) located in Trinidad and Tobago has struggled since the mid-1970s in order to be recognized under the nation's Industrial Relations Act, which allows unions and workers to represent their grievances to an Industrial

Court and to hold employers accountable for state employment practices (Karides 2002). As domestic workers are governed by the Masters and Servants Act, put in place by the British to regulate relations between employers and domestic workers after the abolition of slavery, they do not enjoy the guarantees given to other workers. NUDE has drawn on various international agreements that the Government has signed as well and has linked up with the Wages for Housework Campaign to reinforce its demands. Its membership includes not only domestic cooks and cleaners, but also waitresses and other workers working in fast-food outlets, groceries and bakeries. In addition, NUDE has been approached by women who have been retrenched from the garment industry and set up home-based sewing production. It fights abuses by employers—from rape and sexual assault to withholding wages and summary dismissal—through the courts and through the media.

In South Africa, over a million people, mainly black African women, work in domestic service: The South African Domestic Workers Union (SADWU) was set up with the assistance of COSATU in 1986. However, it faced persistent financial and organizational problems and, on advice from COSATU leadership, disbanded in 1996 (Devenish and Skinner 2004). Ironically, this was the year when the national Labour Relations Act was passed by the new democratically elected Government to formalize domestic workers' employment conditions. The 1994 Conditions of Employment Act made work contracts a requirement for all full-time workers and was the first piece of legislation to include domestic labour within protective legislation. However, in a study of 75 domestic work contexts carried out in 2000, Fish (2006) found only three workers who were protected by formal contracts, two of whom were union leaders. In a second attempt to set up a union, the South African Domestic Service and Allied Workers Union (SADSAWU) was launched in 2000. It built on former leadership alliances within SADWU and had a membership base of around 11,000 members within the year. Collecting membership dues in a sector without a central employer presented a major problem exacerbated by the power dynamics at play in private and isolated work environments and low pay. However, the close relationship with COSATU provided workers with a sense of personal empowerment that they carried into their work contexts.

SADSAWU first major initiative as a union was to seek access by domestic workers to the, national unemployment insurance fund, which provided a critical safety net for workers during periods of unemployment and was widely regarded as one of the most important social security

initiatives within the new democracy, particularly given at unemployment rates of 40 per cent. Requests by domestic workers for inclusion in the legislation when it was slated for revision were first delayed on grounds that further investigations were needed. When the third draft of the Bill was presented for approval, domestic workers had been excluded. SADSAWU leaders sought alliances with leading figures in the national gender machinery and NGOs to actively engage in the legislative reform process and joined a coalition organized by the Commission on Gender Equality that became known as the Gender Monitoring and Advocacy Coalition for Unemployment Insurance.

Eleven submissions from the coalition laid out the unconstitutional and discriminatory nature of the exclusion of domestic workers from unemployment benefits and challenged the Government on the contradictory nature of its commitment to protect the poorest of the poor while it excluded the most vulnerable sector from its safety net provision. They also referred to the Government's adoption of international conventions, such as the Convention on the Elimination of All Forms of Discrimination against women (CEDAW), as a central reference point in their demands for state accountability. Members of the coalition including representatives from SADSAWU spoke at a day of public hearings on the subject. A week later, the Government announced that the unemployment insurance fund would be extended to cover domestic workers.

As Fish (2006) points out, the alliance of SADSAWU with the Commission on Gender Equality and influential NGOs:

offers valuable lessons for international women's groups and domestic workers' organizations in a variety of global contexts, demonstrating that collaboration and collective action hold considerable potential for realizing change in the institution of domestic work. As in South Africa, in many other contexts and internationally this would require the alignment of women from diverse race and class positions (Fish 2006: 126).

And she goes on to say, 'This process holds the seeds of challenging the private reality in which workers and employers collude to uphold a "social apartheid" in the isolated sphere of the household' (ibid.: 127).

7.12 WASTE PICKING

Waste picking or the informal recovery of materials from waste is another socially devalued occupation. It is an important survival strategy for disadvantaged groups across the developing world, but even in contexts where waste pickers are not the poorest of the poor, they are ascribed a

low status in society, marginal to the economy and subject to discriminatory policies (Medina 2005). In Mexico City, dumpsite waste pickers have a life expectancy of 39 years compared to a general average of 67 years. In Colombia, 'social cleansing' campaigns conducted by paramilitary groups treated waste pickers, beggars and prostitutes as 'disposable' and sought to free towns and neighbourhoods of them through harassment, kidnapping, expulsion and even murder. However, since the mid 1980s, the Social Foundation, an NGO, has been assisting in the formation of co-operatives there. In 1991, it launched the National Recycling Programme, which now includes over 100 waste pickers co-operatives through out the country. The Foundation offers loans for specific projects and provides legal, administrative and business assistance and consultancy services. Waste picker co-operatives have formed larger marketing associations in order to accumulate and sell recyclables in greater volumes, obtaining higher prices than those paid to individual co-operatives.

In India, the social marginalization of informal waste pickers and garbage collectors reflects the caste-based association made between their activities and dirt and waste. They are almost invariably drawn from the formerly 'untouchable' castes and occupy one of the lowest rungs of the occupational hierarchy, often attaching as little value to their work as does society around them. As we noted earlier, SEWA has been involved with organizing waste pickers since its early years. Another example comes from Pune, where a group of women activists from the SNDT Women's University have been involved since 1990 in organizing waste pickers (Chikarmane and Narayan 2005). They found that waste pickers around 92 per cent were women, 30 per cent were widowed/ deserted and 50 per cent contributed more than 50 per cent of household income. They also found out very early in their efforts that the waste pickers prioritized work and credit. Their 'untouchability' limited their access to other livelihood options, including domestic work, and they had little interest in learning new skills in order to change their occupation. What they wanted was to change the terms and conditions of their present work, without jeopardizing its availability, and credit to tide them over periods of greater economic stress.

The decision to register Kagad KachPatra Kashtakari Panchayat (Trade Union of Waste Pickers) as a trade union - legally defined as a workers' organization - rather than an association was a first step in establishing the identity of waste pickers as 'workers', not as 'rummagers through garbage' as they described themselves. The logo chosen for the Union and reproduced on their identity cards was a contentious issue because it depicted a women waste picker, which male

members believed was an affront to their dignity. However, given that the bulk of the membership was female, most men finally came round.

The decision had its disadvantages as trade unions are stereo-typically looked on as ‘militant’, ‘disruptive’ and ‘unreasonable’ by the general public. While these accusations did crop up periodically in this case, the dehumanizing conditions under which the waste pickers work was more likely to evoke a combination of guilt and sympathy. The main opposition to the setting up of the union came from the traders who bought scrap from the waste pickers. However, their attempt to revive their defunct Association of Scrap Traders in response failed because of their intense competition with each other. The union organizers also took precautions that their union activities did not threaten existing relationships between waste pickers and the traders on whom they relied for their income.

Drawing on the hybrid approach pioneered by SEWA, the Union has tried to combine mobilization and struggle with development activities, including the expansion of livelihood options. The organizers carried out a study on behalf of the ILO to estimate the contribution of waste pickers to the management of urban solid waste. The direct contribution to the income of the city was estimated to be Rs 185 million a year. This excluded the environmental benefits of their work. They used these estimates to demand municipal recognition of the photo-identity cards issued by the Union. This was conceded and a municipal register was set up with the help of the Union that endorsed waste pickers to collect scrap. These cards have been used creatively, sometimes as bail when arrested on suspicion and sometimes as surety when the collectors do not have capital for immediate payment to buy scrap. The Maharashtra state government subsequently directed other municipalities to register waste pickers, issue identity cards and integrate them into municipal waste collection through their organizations or NGOs.

The Union has also lobbied for health insurance for its members. They argued that the municipality as a whole benefited from the work of the waste pickers, but the costs in terms of health and bodily well-being were borne by the collectors themselves. Studies showed that waste pickers suffered from a variety of occupation-related musculo-skeletal, respiratory and gastrointestinal problems. In 2002-2003, the Pune Municipal Corporation became the first municipality in the country to institutionalize the Scheme for Medical Insurance for all registered waste pickers in its jurisdiction. The payment of the annual premium to the New -

India Assurance Company has become part of the annual municipal budget. Hospitalization costs up to Rs 5000 are reimbursed by the company with claims processed by the Union.

In 1997, the Union set up a savings-linked credit co-operative that collected members' savings, deposited them at the office of the co-operative and approved loans to members. This has served to reduce but not eliminate reliance on the services of moneylenders. The Union also runs a 'gold loan scheme' that allows members to pawn their gold and silver to the scheme at the same rates of interest as its credit co-operative, thus offering far more favourable terms than those they had received from moneylenders. A group, life insurance scheme was introduced in 1998 in collaboration with the Life Insurance Corporation of India (with which SEWA also collaborates). Enrolment is optional and members pay their own premiums, which insure them against natural and accidental deaths and disability. In the same year, using working capital provided by donors to SNDT University for the purpose, the Union began a co-operative scrap store that purchases the daily collections of members.

The Union saw the opportunity to transform their members from waste pickers to service providers and improve their working conditions and earnings when the national Government sent directives to municipalities to decide on how they would organize the doorstep collection of waste and impart citizen education on segregating waste at source. Its members organized provide what they advertised as Pune's only eco-friendly doorstep garbage collection services (Chikarmane and Narayan 2005: 17) and won the support of the municipal programme.

The Union is part of a large platform-the Action Committee of the Organizations of Unorganized Labour-that had mobilized around political issues in the state. This has included voter education that requires electoral candidates to participate in question and answer sessions with workers in public meetings; and marches, rallies and public protest against divisive communal forces and for the right of informal workers to pursue their livelihood activities and have legislative protection and social security. The union is also active on social issues, including domestic violence, child labour and child marriage. It has procedures for dealing with individual grievances, generally in group forums.

Check Your Progress Exercise 4

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Write short notes on National Union of Domestic Workers in Trinidad Tobacco

7.13 THE ‘DOUBLY EXCLUDED’ IN THE INFORMAL ECONOMY: MIGRANT WORKERS

International migrant workers on short-term contracts (or, undocumented) have tended to move into the dirty, dangerous, difficult and frequently demeaning jobs that local citizens vacate as they move up the economic ladder. These workers face many of the same problems as other workers in similar segments of the informal economy, but they also have the additional problems associated with their ambiguous legal status. They generally fall outside the laws of their own countries but are not included in the laws of the receiving countries. As a result, they fall into the category of people who do not have ‘the right to have rights’ (Kabeer, 2007).

Some aspects of the vulnerability of migrant workers could be mitigated by actions on the part of both sending and receiving States. These might include pre-departure and post-arrival training that provides migrants with information about their entitlements and obligations as well as about the local culture, greater regulation of the ‘immigration industry’ to phase out its criminal operators, simplifying and reducing the transactions costs of legal migration, standardizing contracts and ensuring their authentication as a means of screening employers, promoting a diversity of channels through which remittances can be safely routed and using the levies charged on employers for the welfare of employees.

However, there is more to the denial of the right to have rights than the practical difficulties of the migration process. As migrants frequently represent a minority in terms of their religion, ethnicity, race, language and so on, they are subject to all the practices associated with the ‘othering’ of devalued groups: criminalized, sexualized, ridiculed and disrespected. Such views permit and justify the everyday abuses that go unremarked in the lives of most migrant workers as well as some of the more gross violations of their human rights. As Chin 1997 points out, the myths and half-truths abounding about migrant workers and their effects need to be exposed along with more research and communication about the positive contributions that they make to the host society. Social protection for migrant workers, as with other socially excluded groups, has to go beyond conventional concerns with income or employment security to encompass questions recognition.

Trade unions have not been foremost among civil society actors who have organized around the rights of migrant workers. Within the sending countries they have tended to focus their limited time and resources on local workers rather than migrants (who are regarded as better off), while in receiving countries they have often spearheaded resistance to migration on the grounds of the threat to local jobs. Instead, the main forms of action around migrant workers' rights have been taken by grassroots organizations and associations (Piper 2006), some of them set up by migrant workers' themselves in their countries of origin to act as pressure groups on their governments to take greater responsibility for their workers abroad (Sidiqqi 2003).

The possibilities for addressing the rights of workers within a particular context are clearly shaped by the availability of democratic space. This holds even more strongly for migrant workers: because of their ambiguous legal status and the reluctance of host countries to take responsibility for them. Lyons (2006) offers the contrasting examples of Singapore and Malaysia to illustrate the room-for-manoeuvre permitted by different political cultures. In Singapore, the Government has communicated an implicit but unmistakable 'off limits' message to civil society about a variety of issues, including the rights of foreign women working as domestics. A number of people, including Catholic activists and members of the Association of Women for Action and Research (AWARE, the main feminist organization in the city-state) who had been active in this area in the 1980s - advocating higher wages, social security benefits, job security and better employment conditions for all foreign workers-were arrested and detained as part of a 'Marxist conspiracy'. AWARE subsequently backed off attempts to tackle migrant workers problems. The labour movements as well as the government sponsored women's organization were also silent. It was largely the United Nations Women's Fund (UNIFEM), one of the few international organizations operating locally, that focused on migrant workers, including through skills training, re-integration schemes and campaigns against trafficking.

In 2001, after the death of an Indonesian maid following months of brutal assault by employers and self-confessed inaction by neighbours, a group of Singaporean citizens came together to form Transient Workers Count Too (TWC2) to promote respect for domestic workers through education and better treatment through legislation and other means. Its approach has been influenced by the international discourses about the rights of women workers among concerned NGOs and it has sought to replace the value-laden terminology of 'maids' with 'domestic workers' and to incorporate such workers into the Employment Act. It has failed,

however, to consider the specific problems migrant workers face as women and hence to address violations of their reproductive and sexual rights, including the regulation of domestic workers' sexuality through the ban on pregnancy. However, it has actively pursued a vocal antiviolence campaign on behalf of domestic workers. Hostility on the part of some sections of the public and claims that TWC2 was damaging Singapore's international reputation have inhibited any attempts on the part of the organization to link up with international movements for the rights of migrant workers.

Labour organizations in Malaysia have been far more active in organizing migrant workers. Its trade union legislation allows legally registered migrant workers to become union members, even if their employers may seek to ban this. In addition; there are over 250 women's organizations in Malaysia, many of which adopt an explicitly feminist orientation in their work. Sahabat Wanita, a national organization of women workers, refers migrant workers to migrant worker organizations but sees its role as one of education and changing the mindset of local workers about the needs and conditions of migrant, who are perceived to be taking away local jobs. The mission statement of Tenaganita, on the other hand, is 'to promote and protect the rights of women workers and migrant workers in a globalised world'. While it was set up in 1991 to promote the struggles of women workers in the plantations and in the industrial sector, it has expanded over a period of time to include some of the most marginalized workers including single mothers, trafficked women, domestic workers, sex workers, migrant workers and people with AIDS. Furthermore, while it began as an organization for women workers, the number of male migrant workers that came to it for help led it to become an organization covering all migrant workers.

It works with volunteers and uses subscription for membership of specific programmes, which include information sharing; an advocacy and support service relating to migrant workers' health and rights; community-based interventions to promote health care and reduce HIV/AIDS; a programme for domestic workers; legal support and campaigns for those arrested, detained or deported; and a help desk for trafficked women and children. However, its founder was arrested and charged with 'maliciously publishing false news' when the organisation brought out a report documenting the human rights abuses of migrant workers. She was convicted in 2003 but--released on bail pending an appeal. Her trial became a focal point for intensified national and transnational activism around women's concerns and workers' rights. Ninety one Malaysian organizations- including trade unions, consumer groups, human rights

and women's organizations - came together to campaign for her freedom.

7.14 TRANSNATIONAL ACTIVISM

Struggles around the rights of migrants, including their right to association and representation, contain the seeds of transnational activism in them almost by definition. While organizations like TWC2 have sought to restrict their efforts to foreign workers within their national boundaries, others like Tenaganita have deliberately focused from their inception on the connections between the rights of women workers, both national and migrant, and processes of globalization, and forged links with a number of regional and international organizations.

The Asia Pacific Forum on Women, Law and Development is one of these regional organizations and uses the law as an instrument in women's struggles for peace, equality and justice. Another is CARAM Asia (Coordination of Action Research on AIDS and Mobility), which has been particularly influential in promoting the rights of foreign domestic workers. Following up on a regional summit on domestic workers in 2002, it launched a campaign to expose the violations of their rights, to promote their legal and social protection and to lobby for recognition of domestic work as 'proper' work. The Committee for Asian Women began in the late 1970s as a direct response to the problems of women workers in the free trade zones but subsequently expanded to include women workers in the informal economy.

While the International Convention on the Rights of Migrant Workers has not been signed by many countries, and fewer of the main destinations countries, a number of other UN conventions touch on various dimensions of migrant identity, such as gender, race, occupation and so on and have proved useful in advocacy efforts (Piper 2005) (see Box 7.4).

Transnational efforts to promote the collective capabilities of workers to exercise voice and articulate their claims are not confined to migrant workers issues, of course. Organizations of women workers have built networks and federations on a transnational basis on a range of issues of concern to them. Some are regional networks. The Nicaraguan organization MEC, discussed earlier, is part of the Central American Network of Women in Solidarity with Women Workers in the Maquilas, which was formed in 1996 as an umbrella organization for a group of autonomous women's organizations working with women maquila workers to 'make demands and : proposals and stake claims regarding their rights as women and as workers' (Mendez 2005: 126). All the member organizations work in communities, offering programmes to improve the lives and working conditions of women maquila workers, and realized very quickly that their

struggle straddles regional and global boundaries. They use their network membership to share information about factory conditions and relocations and to create documentation centres that record the activities of transnational companies and violations of workers' rights.

Box 7.4 Using CEDAW to advocate for migrant women's rights

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) does not contain any specific article on migration. However, it does offer considerable support for action on behalf of women migrant workers, not so much in the specific 'letter' of the Convention's articles, but in its philosophical and methodological framework (which is grounded in principles of substantive equality, non-discrimination and state obligation); in the range of CEDAW articles and measures that bear on women's concerns at different stages of the migration process; in the jurisprudence built up by the CEDAW Committee; and in the Convention's Optional Protocol. These give the Convention a wide applicability in countering discrimination against migrant women workers.

Source: Author.

The Network developed its own four-point code of ethics that it uses in negotiations with employers:

- assurance of pregnant women's right to employment and to maintain their job positions without harassment;
- assurance that maquila workers will receive their legal wages and overtime payments;
- guarantee that they will not suffer any form of violence;
- assurance that they will be registered for social security and
- have access to the services offered by social security.

It subsequently adopted additional points from the Apparel Industry Partnership Agreement: language regarding safe working conditions and freedom from discrimination of any kind. Although the Partnership also included recognition of workers' rights of freedom of association and collective bargaining, a cap on mandatory overtime and prohibitions on child labour, the Network decided not to incorporate these into its own code but to leave it to member organizations to decide any additions they might favour. Interestingly, the introduction to MEC's code of ethics draws from CEDAW to define the meaning of discrimination.

The Network has carried out a number of regional and international campaigns to draw attention to maquila workers' conditions and pressurize factory owners to sign the code of ethics. Joint

action around media has helped to magnify publicity. However, they have explicitly rejected international boycotts as a means of putting pressure on companies and employers because of the risk relative to jobs.

As we noted earlier, SEWA has inspired and actively promoted the growing organization of workers in the informal economy, particularly women, within and across countries. In the 1990s, it helped to found two regional organizations of home-based workers, Home Net South Asia and Home Net South East Asia, which became members of HomeNet International, and an international alliance of street vendors, StreetNet international, with their headquarters in SEWU. A major activity of HomeNet was to lobby the ILO to recognize the rights of home-based workers. Their campaign bore fruit in the form of ILO Convention 177 on Home Work in 1996. In subsequent years, HomeNet has followed through with regard to lobbying for ratification of the Convention in various countries.

According to Ela Bhatt, founder of SEWA, it was the power of the statistics that grassroots campaigners were able to draw on in support of their arguments that helped to secure the passage of the ILO Convention (www.wiego.org). The campaign thus brought home the need for a hybrid network involving not only member-based organizations of women workers but also research, academic and statistical institutions as well as international developers' agencies, both governmental and inter-governmental, that would help informal workers to produce and disseminate the information necessary for evidence-based advocacy and to leverage influence, within major international organizations. WIEGO (Women in the, Informal Economy: Globalizing and Organizing) was formed in 1997 as an international research-policy network for women in informal work (see Box 8.5).

Box 7.5 Women in the Informal Economy: Globalizing and Organizing (WIEGO)

WIEGO's goals are to improve the status of the working poor, especially women, in the informal economy. In effect, it acts as a 'think-tank' for the SEWA-inspired international movement of member base organizations of informal workers. It has generated international interest in the collation of better statistics on informal workers, on their linkages with the formal economy and the wider processes of globalization; promoted the idea of member-based organizations of informal workers to counter the accusations of 'non-representatives' of NGOs; organized conferences, meetings and workshops to share experiences and develop advocacy; mapped who is organizing informal workers and where; and collated examples of best practice on social

protection.

WIEGO currently has five programmes that represent: its priority areas for advocacy and action; global markets Organization and representation; social protection; statistics; and urban policies. It is governed by a 15 person Steering Committee and the Advisory Committees for each of its programmes, drawn from the constituencies (membership-based organizations of informal research, statistical and academic institutions; and non-government and inter-governmental development agencies). WIEGO is of 150 active members and several hundred associates from countries around the world. Between them the organizations in the WIEW network have organisation20workers

Source: www.wiego.org

While the growth of interest in the informal economy among researchers and policy makers cannot be attributed entirely to WIEGO, it has played a critical role in crystallizing the concerns of informal workers and providing an international nodal network to voice their interests. It sees its considerable achievements in putting the needs, interests, priorities and rights of informal workers as a product of the value-added of its three constituencies:

the grounded understanding, collective strength and moral-authority of membership-based organizations of informal workers;

the rigorous findings and informed analysis of the research and statistical institutions; and the leverage and influence of informed policy makers.

7.15 SUMMING UP

The changing organization of production and labour markets in an era of intensified globalization clearly throws up new challenges for workers in their struggle for greater voice and representation in the collective decisions that affect their lives. It has become increasingly evident that old forms of unionism-which prior based work-based activism and collective bargaining within a recognized employer-employee relationship were always irrelevant to the lives of the majority of the world's workforce and that they are becoming increasingly more so with the information of work. The old weapons of the labour movement relied on the power of numbers associated with the mass concentration of workers, on the use of the closed shop to amplify this power and on resort to strikes, pickets and demonstrations if collective bargaining did not work. These are all forms of action that are becoming increasingly ineffective in the face of a globally mobile capital, capable of relocating elsewhere in the face of such threats. Women

workers have generally found organizations that revolved primarily around the workplace difficult to reconcile with their domestic responsibilities. The failure of most trade unions to address injustices at home along with injustices at work may further explain why they have not attracted numerous women members in the past. As we have seen, this is changing in many parts of the world as unions realize that without reaching out to workers in the informal economy, they are in danger of becoming obsolete.

This chapter has explored examples of a variety of different attempts to build collective voice and action among workers in the informal economy in order to find out what elements of their organizational strategies have enabled a highly insecure group of workers to engage in collective action. It has also discussed what their actions tell us about a social protection agenda that addresses the needs of women in the informal economy. One point that emerges strongly is the value attached to paid work, however precarious, and hence the unwillingness to jeopardise this through forms of action that might disrupt work-based relationships. This has helped to shape the kinds of strategies employed by organizations seeking to promote collective action as well as the forms of action undertaken. It may also help to explain the other important point that emerges from the analysis, which is that there appears to be far greater importance attached to social security measures than to improving wages and conditions of work. Pressure is often exerted on the state to support and extend protection measures, including labour legislation, rather than on private employers.

Although women workers in global export factories may be classified as formal and come closest to the mass presence that characterized the early era of trade union organization, they lack the dual protections enjoyed by those workers legal protection of their rights and protection from global competition. Efforts to organize these workers therefore often display some of the same features as efforts to organize women in the informal economy more generally. One of these features is the shift from work-based organization to organization within the neighbourhood and community. In the case of factory workers, this partly reflects the hostility to trade union activity displayed by employers but it is also recognition of the constraints on women's mobility imposed by childcare and domestic responsibilities.

The neighbourhood based location is also facilitated by the fact that informal workers tend to be concentrated in a limited number of low-income areas and, in the case of export factory workers, in dormitories and hostels. Their being located in the neighborhood based, may also explain why such

organizations tend to address issues that cut across the public-private dichotomy, but it is also likely that most organizations which work with women are aware of how artificial this distinction is in their lives.

The importance women attach to their jobs, and their fear of risking any loss of employment, means that most of these organizations have eschewed confrontational approaches and opted for a range of strategies that involve negotiation, training women workers and mobilizing public opinion. Pressure on the state for protective legislation is combined with a strong reliance on legal mechanisms to promote workers' rights and settle grievances. 'Information politics' (Mendez 2005) plays an important role in these efforts: whether through self-enumeration, monitoring of factory conditions, action or formal research, information is traced to know, to understand, to communicate, to persuade and to mobilize.

In addition, a number of organizations also seek to strengthen the capacity of their members to stand up for their rights by expanding the resources they have to fall back on. This may be achieved by increasing their livelihood opportunities through training in market-oriented and business skills, by investing in collective assets such storage or marketing outlets, by forming co-operatives that allow members to reap the benefits of economies of scale or by encouraging them to save.

Alliances of various kinds are also critical in enabling informal workers to exercise voice. In some cases, they are formally affiliated to the trade union movement or political parties. In other cases, they have formed strategic coalitions with national machineries for women or with the women's movement more generally. While trade unions continue to operate as institutionalized structures, it would appear that the network-like forms of organization; are better suited to the situation of informal workers, given the absence of a fixed place of work or the difficulties of organizing at work. Networks also allow organizations that share common goals but may have different forms, given differences in local circumstances, to work together in a semi-structured way. The loose structure of networks allows organizations with diverse histories, affiliations, perspectives and priorities to come together to find shared solutions to common problems (Mendez 2005).

In many cases, they have turned to international organizations for support. International solidarity from labour movements around the world as well as various civil society organizations has been a source of funds, expertise and supportive action. In some cases, the networks have

themselves gone transnational. Many draw on international conventions to argue for women's rights as workers, as women and as human beings. Globalization and new technologies have thus facilitated the local organizations to mobilize resources and support beyond their national boundaries and to appeal to international opinion and international conventions for their cause.

A final set of points relates to the kinds of priorities that emerge out of these efforts to organize. We have noted the value attached to work and hence the importance of the right to work in these workers' lives. We have also noted the priority that they give to various forms of social security to cover ill health, death and contingencies. There appears to be less attention to gender discrimination in wages and greater attention to the level of wages and the need for a basic minimum wage, if only as an aspirational and regularity of wages. There are concerns about safety at work and on the way to work, including sexual harassment, and demand for reliable transport and, in one context, for lessons in self-defence. There appears to be greater priority attached to support for women's childcare responsibilities and less to bans on child labour. SEWA has made childcare one of its critical campaigns and while, the MEC does not demand that employers provide childcare, they stress the right of pregnant women and women with children to security of employment.

In addition, we note the importance given to issues of respect and recognition in strategies for mobilizing informal workers, particularly those in the more stigmatized forms of work. Given the strength of male breadwinner ideologies, women's work is often devalued, particularly when it is carried on in the informal economy and on a self-employed basis. Belonging to an organization is often the first step for women workers in gaining recognition for what they do and who they are. The possession of an identity card, a ration card or, as we saw in Brazil, of a BolsaFamilia card are often, symbols of such recognition.

To sum up, therefore, organizations for women workers in informal forms of work have opted for a more flexible and wide-ranging set of approaches in place of the well-defined strategies associated with traditional trade unionism. They are interested in working towards solutions rather than demonstrating around problems. They have therefore served to challenge accepted definitions of what it means to be a labour organization and brought into existence structures and strategies that are more suited to building collective voice and action among women workers in the informal economy and perhaps also workers more generally in a globalized economy. As Sandra Ramos put it:

At the MEC (Movement for Employed and Unemployed Women in Nicaragua), we conceive of our work as promoting organized and conscious resistance of women workers. We don't believe there is only one model for doing this. With or without trade unions, women's human rights must be fought for. Organizing is a tool, not a final goal. The final goal is to enjoy gender and labour rights ... Our responsibility is to accompany women in these processes of organizing and conscious resistance so that women can make informed choices about the kinds of organizations they want to be part of and build (Maquila Solidarity Network 2001).

7.16 GLOSSARY

International Confederation of Free Trade Unions (ICFTU): The International Confederation of Free Trade Unions (ICFTU) was an international trade union. It came into being on 7 December 1949 following a split within the World Federation of Trade Unions (WFTU), and was dissolved on 31 October 2006 when it merged with the World Confederation of Labour (WCL) to form the International Trade Union Confederation (ITUC).

7.17 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. Trade unions have historically played a key role in representing and advancing workers' interests.-They evolved in response to the needs and priorities of a workforce that came into existence during an earlier phase of the industrialization of developed countries when mass-based production generated large concentrations of workers on the factory floor. They relied on instruments like the closed shop, collective bargaining and strike action to fight for the interests of their membership. Trade unions as an organizational form could be transplanted with relative ease to developing countries because of the large public sector enterprises and capital-intensive forms of production associated with the early import-substituting orientation of their industrialization strategies.

Check Your Progress Exercise 2

1. In the Shenzhen export processing zone (EPZ), the Chinese Working Women Network

also uses a community based organizing model to promote the rights of migrant workers (Ngai2004). The Centre for Women Workers was established in 1996 to provide education in labour rights, protection against workplace discrimination, reproductive health education and training for migrants' return. An Occupation Health Education Centre has set up a specialized unit of legal support for migrant workers. The mobile Health Express provides health outreach to migrant women, informing them about potential occupational hazards and advocating for better occupational health safety. It has also begun a co-operative to assist women who want to leave factory work to engage in alternative economic activities.

Check Your Progress Exercise 3

1. The Self-Employed Women's Union in South Africa was set up in 1993, directly inspired by the experiences of SEWA but also informed by its founder's long history in the trade union movement.

Check Your Progress Exercise 4

1. Domestic workers are among these doubly excluded groups of workers. They have had to fight harder than most other groups of women workers to gain support from the mainstream labour movement. The National Union of Domestic Employees (NUDE) located in Trinidad and Tobago has struggled since the mid-1970s in order to be recognized under the nation's Industrial Relations Act, which allows unions and workers to represent their grievances to an Industrial Court and to hold employers accountable for state employment practices

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7.19 QUESTIONS FOR REFLECTION AND PRACTICE

1. Discuss the activities of trade union in the context of unionization women.
2. Critically elaborate the SEWA model of unionization of women

UNIT 8 TOWARDS A ‘GENERATIVE’ - MODEL OF SOCIAL PROTECTION- MAKING THE LINKS TO DEVELOPMENT POLICY

Structure

- 8.1 Introduction: The design of Social Protection: Rules, Norms and Practices
- 8.2 Objectives
- 8.3 Re-visiting the rationale for a gendered approach to social protection
- 8.4 Learning from Experience
- 8.5 Learning from Bad experience
- 8.6 Learning from good practice the protection and promotion of livelihoods
- 8.7 Learning from experience: promoting gender equity
- 8.8 Social protection and development policy the “supply side” of social provisioning and economic opportunity
- 8.9 The wider context of social protection: the limits of “New” social policy
- 8.10 Rethinking the role of the state in social provisioning
- 8.11 Financing social protection: the question of affordability sources of finance for social protection
- 8.12 Towards a “generative” model of social protection
- 8.13 Summing Up: A final note: Employment – Centered macro economic policies
- 8.14 Glossary
- 8.15 Answers to check your progress exercises
- 8.16 References
- 8.17 Questions for reflection and Practice

8.1 INTRODUCTION: THE DESIGN OF SOCIAL PROTECTION: RULES, NORMS AND PRACTICES

The institutional approach to the analysis of gender, life course and livelihoods adopted in this book has helped to draw attention to the rules, norms, customs and practices that shape the structure of economic opportunities faced by women, men and children from low-income households in their efforts to survive the present and make provision for the future. While some of these rules and norms derive from gender ideologies about family, kinship and the domestic sphere, they are pervasive across society, and we have seen the powerful role that they play in structuring access and

participation in the public domain more generally and in the labour market in particular.

The social protection measures that we have been discussing, like all policy interventions; also embody their own institutional rules and norms that shape who they reach and what they are able to achieve. Analysis of these measures tells us that these formal rules and regulations provide only a partial, and sometimes misleading, story about the measures implementation and impacts. Informal norms, tacit knowledge and subjective interpretations and understandings on the part of the various actors who design, implement and respond to protection measures can also have an important bearing on the impacts, both intended and otherwise, of these measures. It is the relationship between the formal rules of social protection measures, the informal understandings that govern the interpretation and implementation of these rules and the concrete impacts they have in the lives of working women and their families that have been the subject of the chapters in this book.

8.2 OBJECTIVES

After studying this Unit, you should be able to:

- discuss the need for social protection in the informal sector;
- analyze different country experience of social protection measures;
- examine whether social protection bring gender equity or not; and
- explain a 'generative model of social protection.

8.3 RE-VISITING THE RATIONALE FOR A GENDERED APPROACH TO SOCIAL PROTECTION

The starting point for our analysis was the steady rise in the rate of female labour force participation in most regions of the world and their disproportionate concentration in informal work. Many more women from all social classes and stages of the life cycle - including young women, married women with and without children and older women - are now economically active in the conventional sense of the word than was the case when Boserup (1970) conducted his pioneering analysis of women's work in developing countries. Women's market contribution increased in importance within household livelihood strategies often representing the mainstay of the household economy and a safety net of first resort in times of crisis. This is most evident in the growing numbers of households headed by women, but it is also the case in many male or jointly headed households

where men are ill, disabled, unemployed or simply unable to find work that pays an adequate or regular income.

We have discussed some of the 'supply' and—'demand' factors that help to explain this increased feminisation of the global workforce on the supply side we noted declining fertility rates rising levels of education and aspirations, the lessening importance subsistence agriculture and diversification into off-farm employment, along with the response to, various forms of economic recession and financial crisis. On the demand side, the need for, flexible labour to compete in global markets together with the restructuring of production processes into fragmented, often internationally dispersed activities have been key factors in explaining the preference for female labour in specific sectors of the economy. The increased supply of female labour is thus also a response, to new opportunities.

However, the case for a gendered approach to social protection for informal work—does not merely rest on the growing presence of women in such work. This could in principle be addressed by ensuring that any measure designed for informal workers was extended to women workers as well. The more important rationale is that the experience of vulnerability at work, and its implications for workers and their families, is not the same for both women and men. We adopted a three-dimensional model of gender disadvantage to discuss the nature of their vulnerability. Women from poor households face many of the same livelihood insecurities as men from equivalent households such as failure of business, political instability, inflation, agroclimatic shocks, illness and unemployment. However, gender inequalities in levels of skills and education ownership of assets, access to credit and so on mean that they are located at the less remunerative and secure end of the labour market, with less coverage by protective legislation and fewer resources to fall back on in times of crisis. They also face prejudices and preconceptions on the part of key institutional actors in the public domain, which present additional barriers that men do not generally have to overcome.

Moreover, there are a number of gender-specific constraints that serve to further restrict women's economic options. These include the norms and values that construct femininity and masculinity in different regions of the world and influence the assignment to women and men of different tasks and activities in the domestic and public domains, regardless of their own individual aptitudes, preferences and dispositions. Women's primary responsibility for childcare and domestic work is one manifestation of this; cultural restrictions on women's

public mobility in some regions of the world is another; and the gender segmentation of employment opportunities on the basis of ascribed differentials in skills and aptitudes is yet another. The ideology of the male breadwinner, and its correlate the female dependent or secondary earner, continues to justify men's privileged access to jobs and higher earnings; regardless of the actual significance of women's economic contributions and the importance of their role in household livelihoods.

The rationale for a gender-analytical approach to social protection for women worker in the informal economy therefore reflects the implications of these intersecting constraints for their experience of poverty and vulnerability. First, women's livelihood options are more insecure. Given the importance of women's contributions to the economy of poor households, this has implications for the well-being and security of everyone in these households.

Second, there are greater life course variations in women's experience of risk and vulnerability than is the case for men, a product of the intersecting nature of the constraints of women's lives and livelihoods. Social protection measures have to be designed to reflect these variations. In the early years of life, girls are often less likely to be enrolled in school than boys and more likely to drop out. They are less likely to be found in the documented labour force than boys and more likely to be found in undocumented forms of work, including both paid and unpaid work. They are therefore more likely to elude the attention of policy makers. Women generally marry at younger ages than men, with greater likelihood of interruptions to their education. As adults, women's responsibilities in bearing and caring for children as well as elderly or sick family members interrupt their working lives and restrict their economic options. A lifetime of interrupted labour force participation in poorly paid and irregular work leaves many women unable to save for their old age. Women also tend to live longer than men in most regions of the world and, in the absence of public provision, those without family support tend to slide deeper into poverty. In addition, the loss of a male breadwinner at any point in the woman's life cycle, but particularly when her children are young can enhance her vulnerability to greater poverty.

A third rationale for a gender-analytic approach to social protection is the close interdependence between women's work, children's well-being. The positive version of this interdependence lies in the widely documented findings that resources under women's control, including income from paid work, are more likely to be used to promote the welfare of their children. As we have noted, similar findings are reported in relation to

grandmothers grandchildren. The negative version occurs when children self because of women's inability to combine childcare and work. In such situations, many children are left uncared for or inadequately cared for, often by older siblings who may either not be sent to school or be withdrawn from school in order to substitute for their mothers. Such solutions contribute to the inter-generational transmission of poverty.

Finally, the rationale for a gendered approach to social protection relates to women's own sense of vulnerability and the trade off between voice and security that it forces on them. As we have argued, women's lack of bargaining power within the home and the workplace reflects the weakness of their fall-back position. Their ability to press for their own priorities or to claim their rights is undermined by the fact that, without independent resources to fall back on, they have no credible 'exit' option available to them should their voice go unheard. Social protection measures that protect and promote women's livelihoods efforts can also contribute to their ability to stand up for themselves, within both the home and the market place.

Check Your Progress Exercise 1

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. What is the need for providing social protection to the labour force in the informal economy?

8.4 LEARNING FROM EXPERIENCE

A number of core questions have guided the gendered analysis of social protection measures carried out in this book regarding the extent to which (i) they reach working women from low-income households; (ii) they address the vulnerabilities faced by these women; and (iii) they address some of factors underlying, these vulnerabilities. It is clearly possible to reach women workers and support those in their efforts to cope with risk and vulnerability while leaving intact the processes that gave rise to these vulnerabilities and that reproduce them over a period of time. We were interested therefore in both the immediate impacts of social protection measures in terms

of protecting and promoting livelihoods and their ‘transformative’ impacts on the underlying conditions that gave rise to women’s vulnerability as workers.

The norm of the male breadwinner has remained stubbornly entrenched in the mindset of many policy makers, despite its declining significance in practice, and women have occupied until very recently a marginal place in the design of social protection measures. It is therefore not surprising that some of the measures discussed in this course contributed to the imposed forms of gender disadvantage. This reflected some combination of unconscious bias, conscious prejudice or simple ignorance of ground-level reality on the part of those who designed and implemented these programmes. At the same time, with growing gender awareness within national and international policy machineries, we also found many examples of efforts to promote the greater inclusion of women within the ambit of social protection measures as well as to design these in ways that addressed gender-related constraints. There are some general lessons to be drawn from the analysis of both ‘good’ and ‘bad’ practices discussed in this book. Indeed, in some cases, the two are mirror images of each other so that the reasons that a programme may have worked in one context but not another reflected the presence of enabling design features in one context but not the other.

8.5 LEARNING FROM BAD PRACTICE

The failure to inform those who are eligible to participate in particular programmes has been identified as one common cause behind their failure to include poorer women (ILO 2000). In their review of social funds, Owen and Van Domelen (1998) found a significant and fairly universal problem with the lack of information and/or misunderstanding on the part of beneficiaries about the roles and rules of the game of the social funds’ (Owen and Van Domelen 1998:26). In fact, a Tendler (2000) points out, contractors, politicians and implementing agents may sometimes have a stronger stake in restricting than in disseminating information. However, even without this kind of deliberate bias, additional efforts are often necessary to reach working women from low income households, given that they are often less literate, less mobile, less well connected to social networks beyond the household and less well represented within the community decision making structure than men are. Nor can it be taken for granted that men, from their households will always share information with them.

We also noted recurring examples of how assumptions made by policy makers, about roles and responsibilities within the households (often based on privileged access by men, to jobs generated by social protection measures on the basis of their presumed role as primary breadwinners) in the fi

cases; it has been taken for granted that, Women are available to carry out the care-related obligations associated with conditional transfer without any opportunity costs in terms of their breadwinning responsibilities, or need for paid work and to the neglect of any recognition, of fathering responsibilities. Yet, some of the Mothers who participated in the Progresa programme would have liked training for themselves to improve other earning capacity as well as training for their husbands to give them a more informed understanding of fatherhood and to productive work. The finding from Malawi, public works programmes preference on the part of women as well as agricultural inputs over food or cash as payment provides other evidence that social protection measures may need to factor in women's breadwinning responsibilities.

We found that the principle of co-responsibility tends to be interpreted in an asymmetrical way in many social protection schemes. Progresa participants pointed out that they could be ejected from the programme if they did not fulfill the conditions promoting the health and education of their children attached to cash transfers, but that teachers who did not turn up for classes did not face any equivalent sanction.

Our analysis also threw up numerous examples of how prejudice and biases in the design and implementation of social protection measures had the effect of adding to existing forms of gender advantage or imposing new forms. Unauthorised eligibility requirements on the part of officials responsible for administering the Child Support Grant in South Africa, the refusal of chiefs to provide necessary documents to those who were behind on their contributions and the demand for sex in exchange for processing grants offer one such set of examples. The reliance on community elites and leaders to identify potential beneficiaries of social funds projects led to discrimination against women in many instances, while in the case of the Zakat fund it led to priority being given to widows regardless of whether or not they needed this support.

The analysis of microfinance organisations provided evidence of the relationship between the design of a programme and its impact; offering important lessons in both 'good' and 'bad' practice. In fact what may constitute good practice from the point of view of the programme's financial sustainability may constitute bad practice from the perspective of poor women. The increasing pursuit of the goal of financial sustainability has led to the adoption of design features that have given rise to 'mission drift' as organisations lose sight of their poverty reduction goals and gravitate towards better-off clients.

8.6 LEARNING FROM GOOD PRACTICE IN THE PROTECTION AND PROMOTION OF LIVELIHOODS

On the ‘good practice’ side of the equation, We found evidence of the, additional efforts made to reach out to hard-to-reach groups through the generation of intensive publicity, often using multiple channels of communication including public meetings at the local level, that have resulted in higher levels of participation by women. In the Bangladesh Rural Maintenance Programme (RMP), the use of loudspeakers to announce recruitment proved to be effective in the early stages when the programme was relatively unknown. In India, the Employment Guarantee Scheme (EGS) in Maharashtra sent drummers out to different villages to proclaim the opening of new work sites. Attempts to pro-actively recruit women to public works programmes benefit from the presence of civil society organisations or women's groups that have established contacts with poorer sections of the community, particularly its female members. Knowledge of various social security measures is often higher among members of civil society networks and associations, including microfinance groups.

Good practice also consisted of measures that took account of the gender-specific constraints that curtail women's ability to secure their livelihood strategies. The appeal of microfinance in some contexts is its compatibility with cultural norms about female seclusion. In others, it provides women with the possibility of combining care work and income-generating activities. The high of of women workers who are self-employed in various forms of business, trade and home-based enterprise obviously benefit from the provision of such services.

Public works programmes can tackle cultural restrictions on women's mobility through choice of location. They can be designed to provide work opportunities close to the home. The employment guarantee schemes in India specify that work will be provided within a limited radius from the applicant's home, In places where it is difficult for women to work alongside men, women-only programmes, like the RMP in Bangladesh, may be an alternative solution. However, social protection measures can, also be designed to reduce women's domestic workloads. Those that provide water points and woodlots nearer to the home are one possibility. The kind of public works that are offered can also determine who is able to participate. An important innovation in a number of contexts has been to define work broadly

enough to allow various forms of 'care work' to qualify for inclusion in such programmes. In the Republic of Korea, the relaxation of criteria in response to protests by women's groups led to a broader range of activities qualifying for support: after school teaching for children from low-income households, helping out in social services and assisting in university libraries and offices. In Thailand, social funds projects allowed for the promotion of community welfare and safety, including child development and day-care centres, playgrounds and shelters for the elderly. DeJardin (1996) suggests that childcare should be incorporated into the design of public works programmes, providing work for older women, while Lund (2004) suggests the need for considering 'cash for care' programmes in the light of the upsurge in the need for care in the community as a result of the HIV/AIDS pandemic in sub-Saharan Africa.

More generally, the provision of childcare support to working women is an acknowledgement of women's productive and reproductive roles. It is of particular benefit to those working mothers, often female household heads, who cannot afford to forego the higher earnings, associated with regular waged work and have had to resort to makeshift childcare measures that can be harmful to their children. Support for women's childcare responsibilities in such cases not only expands women's economic options and ability to participate in public life but also supports children's well being and the greater likelihood of education.

Social protection measures can also address some of the disadvantages that women face in earning a living wage. The provision of skills and training as a component of these measures is becoming a more and more critical means of increasing employability in an era of flexible labour markets. Microfinance is, of course, an important means by which gender inequality in access to financial services has been addressed. In addition, we have found examples of the difference to women's livelihood efforts when financial service provision is combined with skills development training. Similarly, one of the factors that distinguished CARE's Road Maintenance Programme from other public works programmes was the provision of life and business management skills during the 4 years women spent in the programme. We also noted efforts to provide training projects through social fund type arrangements as in the case of the Honduras Social Fund, which sought to provide women with skills in non-traditional occupations. However, it is among some of the organisations that seek to promote women's voice and collective capabilities that we found the most systematic efforts to provide women with training in a variety of skills, including those related to the market as well as those

related to personal development and confidence building.

Check Your Progress Exercise 2

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Discuss any one good social protection measures in the informal economy.

8.7 LEARNING FROM EXPERIENCE: PROMOTING GENDER EQUITY

Along with efforts to protect and promote women's livelihood activities, our analysis also pointed out the importance of social protection measures in challenging some of the asymmetries in gender relations that underpin women's experience of vulnerability. The provision of well-designed social protection can, at the very minimum, provide women with a greater sense of security about their ability to withstand crisis and thus a greater sense of self-confidence about the future. It is worth recalling the finding reported by a study of the RMP in Bangladesh, which offered manual labour opportunities in the public domain to destitute women in a society where households aspire to the ability to keep their women at home as a mark of their status:

Wage employment remains a vital dimension of RMP. In spite of the demands of daily physical work, the women value this more than any other aspect of the RMP experience. It is the real signifier of their shift from dependence and destitution.... The wage employment is the platform on which they would build a better life, although whether it would require two, three, four or even more years to build this platform is open to debate (Postgate et al. 2003:7).

The EGS in Maharashtra, India has been singled out in the literature as an early example of a public works programme that had a rights perspective built into its design. Several of its features have also ensured that it succeeded in reaching poorer women. The principle of guaranteed work to anyone who demanded it has provided the basis for mobilizing around the right to work at the same time as increasing the reservation wage and strengthening the bargaining power of wage workers in the rest of the local economy. As we have noted, this

rights perspective has been incorporated and further strengthened in the National Rural Employment Guarantee Scheme, but this is too recent to yield anything but the most preliminary findings on what it has achieved.

While early evaluations of social funds were not promising as far as promoting gender equity was concerned, the flexibility of their design has allowed for continued experimentation. Lessons learnt from experience have led to the emergence of innovative features such as participatory needs assessment in the Jamaican Social Investment Fund, information/outreach activities in the Eritrean Social Fund and community-driven development initiatives in Indonesia (Fumo et al 2000). In addition, recent studies document examples of efforts to ensure women's participation not only in the employment generated by schemes but also in the schemes' design and management through various forms of quotas and guidelines. Strong government directives and the use of gender quotas, while not always sufficient to overcome biases, do serve as a reminder about policy intentions.

Many studies of microfinance programmes, but particularly in South Asia where there are cultural restrictions on women's ability to undertake paid work report an enhanced sense of self-esteem and self-confidence among women as a result of their improved access to financial and other services as well as increased decisionmaking power in the household. We also noted examples of more socially oriented microfinance organisations that used the provision of savings and credit as a means of building women's voice through the formation of groups and organisations. Members of such groups to appear have more frequent interactions with local government elected officials in their villages and higher levels of political participation. It is perhaps through forms of social protection that promote women's ability to organise for their rights and engage in collective action that some of the more significant challenges patriarchal constraints are likely to occur.

This strengthening of collective voice seemed however to be restricted to those organisations that went beyond the minimalist approach to service provision. It was not in evidence in the conditional cash transfer programmes, in Latin America. While the cash transfers brought a greater degree of security into the lives of women, and their families, and while women appreciated the greater social recognition accorded to them there was little evidence of changes in women's decision-making roles or bargaining power and even less evidence of increased voice within the community. This may have reflected the very small amounts of money involved or the fact that the transfers served to reinforce women's maternal roles. Indeed, we found that women's

past work experience had a far greater effect on their decision-making role than did Progresa transfers. It is likely that their current work experience had it been included in the analysis, would have had an effect too. Social pensions also appear to improve the position of the elderly within the family, and be used to benefit other members of the family as well, with little evidence reported that they may have increased the recipients political clout.

Once again it was organisations that were engaged in building the voice, capabilities and associational resources of informal workers through their formation of unions, co-operatives, networks and so on that most explicitly addressed the question of power. These organisations used a combination of training, confidence building, advocacy, mobilization, networking and international campaigns to enable vulnerable and marginalized workers to participate in setting their own agendas and to seek to influence a range of power holders within society to address their needs and priorities. They were more likely to be sensitive to the interlocking constraints that underpin women's disadvantage in different spheres of society and hence most likely to pursue strategies that cut across institutional boundaries. They were also most likely to put groups of workers that tend to fall outside mainstream understandings of labour markets on the public agenda. We provided examples of migrant workers, waste pickers, slum and pavement dwellers and domestic workers but other efforts to organise have extended to sex workers, bonded labour, home-based workers, street traders and so on.

In all efforts that address underlying power relations, questions of male support and male resistance are factors that have to be taken into account. Responses have included the decision to leave male-dominated trade unions and set up organisations by and mainly for women; persuasion, argument, lobbying, demonstrations and threats to 'name and shame' with policy makers and employers; and the more complex negotiations that have to take place when the men in question belong to the more intimate relationships of family and kinship. Sensitising husbands or other male authority figures within the family may be critical to long-term success in building women's capacity to avail themselves of social protection measures, particularly when these embody valued resources. Men are more likely to be supportive of women's involvement in project activities when they have been consulted about ways of improving women's participation. And the Progresa case study reminds us that men could benefit from greater education in reproductive and care skills.

An important lesson from field level experiences is the critical importance of the pace at which change was implemented and of the support built for such change within the local community. In

the North Kordofan Special Public Works Programme, staff only introduced the possibility of working directly with poorer women and offering them the option of taking up the manual wage labour opportunities once the project was well under way and local staff and members of the community had grown used to the idea of participatory approaches. A step-by-step approach was used to introduce women to the various kinds of activities associated with the project, starting with those considered more acceptable and moving gradually into activities previously not imaginable for women.

8.8 SOCIAL PROTECTION AND DEVELOPMENT POLICY THE ‘SUPPLY SIDE’ OF SOCIAL PROVISIONING AND ECONOMIC OPPORTUNITY

There are thus both positive and negative lessons to be learnt from analysis of the practical experiences of social protection in different contexts. In addition, there are a number of other points that emerge from our analysis that bear on the wider context of social protection. They relate to the overriding emphasis in the current social protection agenda on improvements in ‘access’ to social provisioning (i.e., the demand side), to the question of adequacy on the supply side and to the broader development frame work in which these questions must be addressed.

Measures like health insurance, conditional cash transfers, school feeding programmes, scholarships for girls and exemptions from user fees all attempt to bridge important gaps in social provisioning for the poor. However, they are premised on the assumption that adequate service provision is in place and that there are no biases in their geographical or social distribution (Britto 2005). Also, this cannot be taken for granted was a point that was made repeatedly in the studies reviewed.

In South Africa, it was noted that many of the women’s who received the Child Support Grant used it to pay for school and creche fees, school uniforms, household utilities such as electricity and water, and transport to government offices, pay points, job search, health clinics and shops. These uses of the grant highlight the broader problem of a lack of basic services and the costs of others. Money meant to feed children was effectively paid back to the government because of gaps in social policy provision.

In Bangladesh, the failure to match programmes that increased numbers of children enrolling in school as a result of the food for education programme and scholarship for girls with an increased in the number of schools, teachers and other educational resources has undermined the quality of the education

provided. The ratio of teachers to students was lower in such schools and their student performed more poorly even on standard achievements tests. The function of encouraging enrolment and attendance is best served where educational services are available but under utilised where enrolment or continuation rates are significantly below 100 percent and where dropout rates are high attendance is low, particularly among girls. It is less likely to be effective in areas where the demand for schooling outstrips its supply, or in geographically remote areas, where there is very little provision available. Similar arguments have been made about conditional cash transfers. These are a response to the perceived failure demand for educational and health services for children on the part of parents, but they do not address the problem of the availability and quality of schooling on offer (Rawlings 2004). As Britto (2001) observes, they may be cheaper than building more schools, 'they can only work where schools already exist and are able to respond to the increase in demand that these programmes might generate', (Britto 2005:20). Conditional cash-transfers complement efforts to expand the outreach of social services but cannot substitute for them.

In addition to the limitations imposed on the effectiveness of the social protection efforts by the wider context of social policy are those imposed by the nature of the wider economy. In Mexico, it was pointed out that Progresa was promoting children's education in a context where the employment opportunities for school leavers that would enable the cycle of poverty to be overcome were in scarce supply. While some effort has been made to provide youth training and work experience, evaluations suggest that those who participated saw little future for themselves in their localities and dreamt of migrating (Molyneux 2007).

We noted that one reason why microfinance programmes have not performed as well in sustaining growth out of poverty as they have in preventing declines into greater poverty relates to the segmented nature of the livelihood opportunities available to the poor, and poor women in particular. Most programmes fail to tackle the gender constraints that undermine women's earning potential such as gender segmented labour markets, unequal vertical linkages with intermediaries and institutional discrimination. Without tackling the causes of segmentation, microfinance may merely add to overcrowding within certain sectors and lead to declining returns.

Employment generation programmes may be needed on a short-term basis in places where fluctuations in income and consumption levels are temporary or seasonal in nature or when the incidence of poverty is limited. In situations of widespread and chronic poverty, such programmes

may have to become an ongoing feature of policy. In the South African context, the Taylor Committee set up to explore social protection options estimated that even an expanded public works programmes would not make a significant dent in a country where unemployment was measured as 40 per cent. Indeed, without macroeconomic opportunities that could ensure a sustained growth in livelihood opportunities; there was little hope of 'achieving full employment or even the significant reduction of unemployment at least in the short to medium term' (Taylor Committee 2002:15).

Check Your Progress Exercise 3

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. Does social protection bring gender equity? Discuss

8.9 THE WIDER CONTEXT OF SOCIAL PROTECTION: THE LIMITS OF 'NEW' SOCIAL POLICY

The gist of these various critiques is that social protection strategies, however well designed, cannot substitute for wider economic and social policies. These policies address the need for broad-based service provision, for an equitable regulatory framework and for the sustained and sustainable generation of livelihood opportunities on terms that help to address some of the deeply entrenched inequalities that underlie the vulnerability of poor and marginalised groups.

The earlier formal social security systems failed to provide this wider enabling framework. These systems envisaged the central state as the quasi-exclusive provider of social services and social security financed through some combination of general taxation (Beveridge model) or contributions (Bismarck model).¹ However, the design of social service provision generally favoured the better off while the social security systems were confined to those who worked directly for the state or in the larger enterprises of the formal economy. Extension to the rest of the population, including workers in the informal economy, generally failed. Over a period of time, various other factors, including population growth, inflation, unmanageable fiscal deficits and the debt crisis further widened the gap in the provision of social services relative to the demand for them.

The ascendance of the neo-liberal paradigm within the development agenda provided the framework for critiques of the 'old' social policies--- said to have led to rent-seeking states, bloated bureaucracies,

distorted market forces and inefficient, inequitable and unaffordable service delivery systems--- and shaped the principles of an alternative 'new' social policy. Economic growth through liberalized markets was to deliver improvements in the standard of living and greater security of livelihoods, while limited public resources would be targeted only to those in real need. The shift from a universal to a residual social policy would be accomplished through a reduction of the role of the state in service provision, the decentralization of some of its remaining functions including commercial providers, NGOs and community-based organisations. Public provision would be governed by new rules, procedures and mechanisms explicitly designed to reduce wasteful expenditure and minimize leakage. These include the imposition of user financing, means testing, subcontracting out of services, quasi-independent social funding bodies and co-financing requirements.

However, it is increasingly argued that this approach has led to highly skewed, and often inadequate, provision of social services and highly fragmented systems of addressing questions of access. For instance, user financing for service provision was expected

1 The Beveridge model is named after the British civil servant, William Beveridge, who led the work of devising the principle on which it is based, while the Bismarck model is named after the German Chancellor, Otto Von Bismarck, who provided the ideas behind the first laws on social insurance.

to lead to an expansion in the resource base for such services, a reduction in excessive use and greater accountability on the part of service providers to their clients. In reality, a comprehensive review of the available evidence shows that user fees were associated with drastic declines in utilization rates of health and educational services in the countries covered by the study, that the poor and children were most vulnerable, and that girls were more likely to be pulled out of school than boys (Reddy and Vandemoortele 1996:17). Even where overall levels of school enrolment stayed the same, the composition shifted in favour of children for better off families.

According to studies of willingness to pay for water and sanitation services, there is a substantial willingness to pay for water, and to a lesser extent, sanitation, but there are important non-income determinants of variations in the ability to pay, including gender, education, occupation and family size. Gender is often relevant to this divergence. Women often expressed a higher willingness to pay for many services, such as water or health because of the relevance of such services to their workload, but did not necessarily have the commensurate ability to pay since it was often men who controlled the household budget. User fees often compounded the effects of gender bias, with higher elasticity of demand shown in relation to girls with the boys. Thus gender proved to be an important determinant in family's willingness to pay for health services in Bangladesh, while Kenya parents were found to be twice as likely to withdraw girls from school than boys when faced by financial constraints. Exemption from payment schemes targeted to the poor has been poorly documented, but the evidence on health scheme exemptions, from sub-Saharan Africa report that they are, rare and where they exist, implemented in piecemeal and ad hoc ways. pressure to raise revenue often overruled exemption mechanisms.

While user financing of certain social services may be desirable in the name of effectiveness, efficiency and equity, basic social services are not an obvious example: 'Services that generate strong positive externalities and whose beneficiaries are primarily the poor are not well suited for user financing' (Reddy and Vandemoortele 1996: 75). Tertiary education, central hospital care and urban piped water supply are more suited for achieving these goals.

Other criticisms of the new social policy revolve around the priority given to social funds. These evolved from their earlier incarnation as compensatory measures in the context of the structural adjustment to a variety of 'promotive' measures which seek to incorporate the poor into production through public works, microfinance and other projects. As Cornia and Reddy (2001) point out, these have become 'social development instrument of choice' in many contexts

(Cornia and Reddy 2001:7)². Their innovative features include the stress on community-based ‘demand-driven’ projects, the potential for improving local accountability structures and the ability to fund activities across sectors that would normally have come under the jurisdiction of a variety of ministries. However, social funds have also come in for criticism from a variety of quarters.

The World Bank’s own Operation and Evaluation Division (OED) provided an extremely qualified assessment of the Bank’s community-based/community driven development (CBD/CDD) efforts (World Bank 2005). It pointed out that Bank-supported projects rarely diagnosed community capacity to undertake particular projects or tailored capacity building to community needs. Building capacity for community participation was a time-consuming process and did not fit well with the logic of the Bank’s project cycle approach. While some projects had contributed to the ‘formal’ inclusion of women, they were too short-lived to contribute to women’s more substantive participation. The OED concluded that community development projects worked best when they had been initiated by indigenous efforts rather than ‘invented’ by Bank staff.

Chambers (World Bank 2005) was invited to comment on the OED evaluation. His assessment of the Bank’s efforts in this field was far more damning. He pointed out that organisations like the Self-Employed Women’s Association (SEWA) in India and the Aga Khan Rural Support Programme (AKRSP) in Pakistan, both cited in the OED evaluation as evidence of successful community-based efforts, could not be claimed as Bank successes since they had established themselves long before they received Bank funds:

² Although they appear to be currently overtaken by conditional cash transfers.

‘In earlier stages of their development they did not need, and, might have been hampered by, support from the World Bank’ (World Bank 2005:151). He strongly questioned whether the World Bank had any comparative advantage in the promotion of CBD/CDD projects and pointed instead to sources of comparative disadvantage.

Disbursement pressure and the typical one-year sub-project cycle.....with top-down one-shot interventions (Is) an approach antithetical to participation and to assuring benefits to those who are poorer. We know and do not need to learn again how badly this

works-- That the ratings of CBD/CDD projects are stagnating suggests that institutional learning and change are not taking place. A likely reason is that the Bank is not looking hard enough at itself or is simply unable to perceive, learn and change (ibid.: 153).

Other critics have expressed similarly strong reservations about social funds (Cornia and Reddy 2001; Tendler 2000 and 2002). Tendler points out that despite the fact that 'by donors' own accounts, [the funds] do not live up to the faith placed in them', they have continued support them as a 'different and low-cost model of public sector service delivery' (Tendler, 2000: 114). The popularity of social funds reflects donor preference for short-term, discrete, sectoral and infrastructural programmes that fit into their lending cycles over direct support for developing or strengthening social protection programmes. As a result, social funds have served to 'projectise' social policies and contributed to the fragmentation of social provisioning (Tendler 2002).

Moreover, there are research findings to suggest that older, targeted programmes have had more identifiable impacts in reducing poverty in particular countries than social funds, while the impact of even broader entitlements or transfers - such as the extension of social security to poorer sections and rural areas has dwarfed the achievements of social funds (Tendler 2000). There is also evidence from donor evaluations as well as other studies that 'private providers can be as standardizing and insensitive to user needs or local conditions as considered typical of the public sector' (ibid.: 118).

Tendler that the remedies put forward to address some of the criticisms levelled, at social funds are more monitoring and supervision, more transparency and objective selection criteria for projects, more training, more public information campaigns about project choices available to communities, greater allowance for 'participation', more poor-targeted selection criteria, more attention to organizing users around operations and maintenance and greater co-ordination with line agencies and their sectoral programmes. She makes the telling point that such remedies would require significant increases in the funds, personnel, time and effort devoted to social funds, thereby compromising their acclaimed 'leanness' and low administrative costs.

More significantly, Tendler points out that if becoming more supply-driven is the solution rather than the problem, these conclusions suggest that donors might look with greater enthusiasm and diligence to reform prospects within 'existing public institutions' (ibid.: 119). She suggests that institutional reform of public administration could be better able to incorporate concerns with inclusiveness, accountability and equity into its design than community-based

organisations that are frequently dominated by elite groups or private contractors whose primary concern is, and should be, their own profits. Bypassing existing structures of governance because they do not function well may be an important short-term solution but cannot be sufficient in the long term: Decisions to implement social funds should be based on a consideration of alternatives, of opportunities to reform line ministries to incorporate and implement effective community-based initiatives (Kanji 2002).

8.10 RETHINKING THE ROLE OF THE STATE IN SOCIAL, PROVISIONING

These arguments put forward by Tendler and others are a part of a broader literature questioning the minimal role assigned to the state in the provision of social security and services in the new social policy. Harriss-White (1995), for instance, acknowledges the significant role played by markets; community-based institutions and NGOs in social provisioning in the Indian context but argues strongly for a greater role for the state as well as reforms that would make it more accountable to the poor. As she points out

Markets exclude ... Markets, even idealised, abstract, efficient ones, respond to demand rather than to human needs and guarantee neither life nor welfare. For these, the *state* is a necessary - but not sufficient - guarantor. The state is necessary because impoverished households by themselves also cannot guarantee life or welfare, and because institutions of civil society (like NGOs) are piecemeal in scope, under-resourced and imperfectly accountable. The state is not sufficient not because markets are necessary, but rather because the state's legitimacy does not currently rest in an important way on the guaranteeing of life and decent social welfare... The state may be a flawed institution, but it is the only institution obliged to respond to claims for welfare entitlements (Harris-White 1995:143).

The imperfections of the state and its failures in relation to the old social policies caution against attempts to return to the previous top-down, state-centred social security systems. Nor would such attempts sit well with the proven strengths of alternative modes of service delivery, including markets and NGOs. The challenge then is to combine (i) the principle that everyone is entitled to some basic level of social security (which might vary in different countries) with (ii) the plurality of approaches implied by the diversity of needs and conditions under *which* provision in efforts must operate as well as the differential comparative advantages associated with various modes of provision. This is a somewhat different, but not necessarily incompatible, approach to the state-led universalism embodied in the demand for a universal employment guarantee in the Indian

context or the basic citizen's income in the Brazilian. It comes closer to Lautier's idea of the bottom-up extension of social protection which has a great deal of relevance in contexts in which the state has performed weakly in providing for the poor (2006). He conceptualises the grassroots-led process of universalisation in the following terms:

the more or less simultaneous emergence of a multitude of local social security mechanisms (mutual benefit funds, micro insurance policies, co-operatives, local, for example, municipal public health or benefit policies etc.). These mechanisms are gradually co-ordinated and incorporated into two processes of homogenization: of the risks covered (such as the type of medical care) and the conditions of access to that coverage. At a given point in time (which must, materialise for the process of universalisation to continue), institutions must be unified and a clear legal framework established. The movement towards the top is achieved when the financing mechanisms for true universalisation are put in place (Lautier 2006: 89).

The transformation of a multitude of small-scale and localized social security mechanisms into a more universal system of social protection may require a number of conditions:

- The need to be an impetus towards reproduction of 'good practice' in a variety of different contexts to test its adaptability.
- Reproduction must occur vertically as well as horizontally so that new socio-economic groups are gradually incorporated rather than the mechanisms being confined to a homogenous group.
- Finally, and most importantly, the state must step in at a given moment to unify the arrangements made to provide a variety of services to different groups. The state's unifying action is necessary to create policy where there were only projects and to give the system a national dimension.

As Shepherd et al. (2004) suggest the gradual institutionalisation of an integrated, approach to social protection requires that measures are broad-based and cut across several ministries rather than being confined to one or two departments, and that there is strong political leadership to champion the institutionalisation process and an overall, agency to lead and co-ordinate social protection policies.

The transformation of conditional cash transfers from municipal initiatives to a nation-wide scheme in Brazil, the evolution of the Maharashtra EGS from a state-based to a national

commitment and the multiplication SEWA-like organisations that combine principles of unionism and co-operatives are all examples of this bottomup universalization in practice. The idea of bottom-up approaches to social service provision is likely to find favour with international agencies because of its fit with project-cycle planning and its independence from the state. It is also likely to find favour with manyNGOs and other civil society associations because of its resonance with ideas about local ownership, participation and citizenship.

However, Lautier (2006) warns that any temptation to consign the state to a residual role in the process of universalisation is likely to defeat the process. In the absence of state intervention, the simple multiplication of apparently similar initiatives may merely disguise and legitimize major differences in the quantity and quality of social protection and give them a cumulative character. Risks of exclusion and adverse selection are often high, particularly for the most vulnerable sections of the population (the elderly, disabled, homeless and AIDS-affected). A state administration that is 'bereft of means, opaque and hampered by red tape' is only capable of ad hoc response to such exclusions (ibid: 90). Bottom-up universalisation is possible only if public authorities are able to build an overall architecture for social protection and define the place of different social protection measures within it.

8.11 FINANCING SOCIAL PROTECTION: THE QUESTION OF AFFORDABILITY

SOURCES OF FINANCE FOR SOCIAL PROTECTION

The ideological antipathy to strengthening the role of the state displayed by powerful donor agencies is one barrier to the development of national systems of social protection. The other barrier is its affordability. Fiscal responsibility has been one of the definingmantras orthodox macroeconomic policies, which explains the preoccupation with budget deficits, user financing, privatisation of social services and narrowly targeted public measures for poverty reduction and social protection. However, the question of affordability is not a uniquely neo-liberal concern and has to be taken seriously, whatever macroeconomic framework is adopted.

The most obvious source of financing public provision of social security is through economic growth. Although globalisation has reduced the revenue-raising capacity of many countries through the impacts of e-commerce, labour migration and trade and financial liberlisation, there is still a broad association between levels of economic development and public expenditure on social

protection. Donors continue to play an important role in financing social protection and setting policy priorities in many, middle and most low-income countries, and international aid is likely to remain an important source of funds in the foreseeable future. There is no shortage of resources at the international level for financing social development. As Jahan (2003) pointed out.

Military spending in the world is about \$800 billion and recently it was reported that the war in Iraq would cost about \$75 billion for a month, or more than \$2 billion a day. Agricultural subsidies in OECD countries – amount to \$327 billion a year. Total expenditures on alcoholic drinks and cigarettes in Europe are more than \$150 billion.

On the other hand, achieving the Millennium Development Goals would cost around \$100 to 120 billion a year, less than 0.5 per cent of global GDP.

The international community has periodically affirmed its commitment to scaling up the level of its assistance to developing countries, including at the Financing for Development Conference in Monterrey, 2002. However, commitments have not always been met (Oxfam 2007). Aid flows fluctuating at the discretion of individual donor countries, do not fill the entire financing gap in public spending on poverty reduction and social development and, in any case, cannot be relied on forever. Indeed, there is increasing reference to ‘donor fatigue’ in international circles. The idea of international taxation as, a source of revenue to finance globally agreed goals has been around for some time. Tobin taxes are one option. These are simple sales taxes on currency trades across borders that would discourage short-term speculative buying and selling without affecting longer-term foreign trade and investment. More recently, proposals for a carbon tax on the use of hydrocarbon fuels offer both a new source of revenue as well as a rationale for redistribution from the wealthy -- who are largely responsible for carbon emissions -- to the poor, who have a far lighter carbon footprint. The appeal of global taxation is that, once agreed, it is a less discretionary source of revenues than aid. The major, drawback, of course, is that global systems of fiscal governance capable of handling this responsibility have yet to be constructed.

The reliance on international aid does not rule out the need to identify and expand sources of domestic revenue. Raising expenditure on social protection from domestic sources could be achieved by reallocating revenue from other expenditures or by increasing revenue-raising capacity. One obvious, though politically difficult, route to reallocation is to examine the pattern of subsidies within developing countries for their pro-poor implications. According to Gulati and Narayan

(2003) subsidies on canal irrigation, power for pumped irrigation, fertiliser and guaranteed purchase schemes make up a total of 13 per cent of agricultural GDP in India but largely benefit richer farmers in richer states. Also in India, a study by the Centre for equity Studies calculated that if all primary and secondary school students received free mid-day meals, the cost would be Rs. 90 billion annually against a total education budget of Rs. 800 billion. However, subsidies to the middle classes-on electricity water, cooking gas and higher education----- added up to Rs 1,200 billion. Annual defence expenditure was Rs 700 billion, In South Africa, tax exemptions to private pension plans have been estimated to reduce revenues by an annual 1.7per cent of GDP. Tax exemptions elsewhere also, show large leakages to the poor: poor and a diminished tax base.

There is also scope for raising taxes: in 1995-97, tax revenue was 38 percent, of GDP among developed countries but only 18 percent in developing countries (Barrientos 2004). Despite the broad association between per capita gross national product (GNP) and levels of social expenditure and human development out comes many countries perform below the average for their levels of per capita GNP while others perform above this average, suggesting that other factors also come into play. These other factors are also likely to be important for a country's commitment to social protection. The establishment of permanent and integrated system of social protection ultimately requires the development of a 'politically sustainable social contract and therefore fundamental public choices about the allocation of scarce resources' (ibid; 1). Universalism, even of the incremental kind that we have been discussing, requires some degree of social consensus about the desirability of such a system and about the obligation to fund it.

Here arguments about the political economy of targeting are relevant. Targeting is largely justified on the grounds that, in context of fiscal constraint, it ensures, that benefits of public subsidies flow disproportionately to the poor. However, others have pointed to the administrative costs of targeting, to its divisive effects on the community, particularly when those excluded by targeting criteria may not be much better off than those included, and to the power it gives to those charged with determining eligibility. As Sen (1995) points out, 'minor potentates can enjoy great authority over the supplicant Applicants' (Sen 1995: 14). In addition, it has been argued that targeting social protection, to those classified as poor may be a false economy since those capable of contributing to the public budget are much less likely to support schemes from which they do not benefit.

A focus on vulnerability rather than poverty per se has two advantages. First, because it encompasses

both poor and non-poor groups it moves the discussion of social protection in the direction of universalism. And secondly, as Barrientos (2004) points out, public choice models suggest that social protection to the vulnerable may be more politically acceptable and hence more likely attract public funding than support targeted to the current poor. However, public support for more permanent and broad based systems of social protection cannot be taken for granted, regardless of their focus. Catastrophic events have sometimes had the effect of exposing underlying vulnerabilities and generated public debates about the state's obligations to protect its citizens (Shepherd et al. 2004).

In the absence of such dramatic events, information about the 'quiet scandals' associated with extreme forms of poverty, vulnerability and social exclusion needs to be actively disseminated and debated by politicians, civil society organisations, trade unions and the media. Ideas, concepts and empirical documentation of practical experiences can contribute to this public discourse and build the case for a different approach to social protection. The research community has an important role to play in generating some of these ideas, concepts and findings, and the aim of this book has been to try and synthesise their contributions. In these final sections, we summarise their key message.

Check Your Progress Exercise 4

Note: i. Use this space given below to answer the question.

ii. Compare your answer with the one given at the end of this unit

1. How to finance social protection schemes? Discuss with help of any one country budget.

8.12 TOWARDS A 'GENERATIVE' MODEL OF SOCIAL PROTECTION

With current approaches to social protection do not lie so much in the instruments favoured, but in the piecemeal and fragmented way in which they are designed and implemented and the frequent failure to align the provision of basic services and security with the distribution of risk vulnerability and need. There are a number of reasons for the persistence of this piecemeal approach.

One is conceptual and vulnerability is understood in the dominant policy agenda in terms of episodic shocks and has generally failed to factor in the chronic insecurity that characterises the lives and livelihoods of many vulnerable groups in many contexts. It has also been understood in

terms of the characteristics of individuals and households, overlooking the vulnerability that stems from the structural asymmetry of social relationships and the dependencies that these engender in those who occupy subordinate positions within them.

Such conceptualisations of vulnerability, when tied to neoliberal views about the efficacy of market solutions, have given rise to policy responses that target the provision of social protection to a limited number of vulnerable groups who cannot provide for themselves and limit this provision to measures that, at least until very recently, were conceptualized in terms of 'safety nets'. This would allow the poor and vulnerable to cope with chronic deficits in basic needs or with fluctuations in their consumption flows.

Conceptualisations of vulnerability and the role of social protection in turn give rise to particular understandings of affordability. As long as social protection was equated with this narrow safety net function, public funding was seen as 'at best a short term palliative and at worst a waste of money' (Ravallion 2003:1). Its value was calculated in narrow fiscal terms and presented as pure cost. There were additional concerns about the disincentive effects on the labour supply and propensity to save by recipients of social transfers as well as the disincentives that taxation to fund social transfers might impose on those required to make the contribution. In economic terms, this would mean that the full marginal costs of transfers and subsidies were likely to be higher than the marginal revenue collected (Barrientos 2004).

However, the documentation of practical lessons from experience provides an alternative perspective on the question of affordability, giving rise to what we might call a 'generative' model of social protection. This is based on growing evidence that social protection measures can contribute simultaneously to the greater security of livelihoods of poor and vulnerable groups, as protection measures are intended to do, as well as to some of the mainstream goals of development, including economic growth, human development and good governance (see Table 8.1). The marginal costs of raising public finance for social transfers may then be considerably lower than the marginal revenue collected. The idea that social protection can yield these 'double dividends' (Barrientos 2004) is gaining increasing recognition within the development community, although some benefits receive more ready recognition than others. Such findings suggest that we need to analyse social protection measures by their impact as well as their objectives.

The policy community has probably been most receptive to the idea of social protection as

a 'springboard' out of poverty, which captures its generative potential in economic terms. Some forms of social protection discussed in this book enhance economic as well as human potential in very direct way. Microfinance is one such example. Well-designed microfinance schemes have been shown to contribute to the capacity of poor households to diversify livelihoods, and to assets and saving and improve the nutritional status of family members. Evidence from different contexts shows that microfinance leads to higher levels of female economic activity; in some cases, introducing the possibility of paid work, in others, expanding and diversifying the scale of their operations. Microfinance has also shown itself to be an extremely versatile instrument, capable of being adapted to the needs of the very poor as well as those of the moderate poor and the vulnerable non-poor. Conditional and unconditional cash transfers to promote investments in children's health and education have the potential to break the inter-generational cycle of poverty. Vulnerable group feeding programmes can help to promote the productivity of the nutritionally deprived sections of the working poor.

Table 8.1 A generative' model of social protection: analysis by objectives and impacts

Type of instrumentClassification by objectives		Impact analysis)
Conditional and Unconditional Cash transfers	Meeting basic needs of elderly and destitute, promoting investment in children's health and education	Uninterrupted education promotes employability and productivity of next generation of workers. Can bring excluded groups into the circle of citizenship. Can give elderly some bargaining power. Can act as recognition of women's unpaid work. Receipt of regular and predictable transfers act as collateral with local stores. Evidence of micro-Keynesian spill over effects on local economy.

Childcare support to working women	Expanding women's employment opportunities	Promotes and expands women's livelihood options. Reduces reliance on inadequate care arrangements and hence likelihood of adverse effects for children. Increase women's participation in public life beyond the labour market.
Employment generating public	Coping with threats to income and consumption flows	Employment guarantee can help to break inertia of continued unemployment and kick start local economy. Can create infrastructure that may enable women's mobility or reduce workloads. Can increase bargaining power and wages of workers not necessarily in programme.
Financial services to the poor	Risk prevention and livelihood promotion	Allow consumption smoothing and increase of asset base. Have knock on effects on children's schooling, particularly when women are beneficiaries. Increase options for self-employment, and thus bargaining power of wage workers, and reduce usurious interest rates. Build associational networks and offer potential synergies with other forms of social services. Can increase political participation.
Organisations of the working poor	Building voice and representation	Help bridge public-private divide in addressing sources of vulnerability in

women's lives. Take on sexual harassment, confidence building and leadership skills that are neglected in conventional programmes. Give women access to the intangible resources of education and information that can help to break their isolation.

Source: Author.

We have also drawn attention to the positive synergies and complementarities associated with protection measures. Some of these relate to service provision and build on women's dual responsibilities in production and reproduction. In the case of microfinance, for instance, the fact that groups of women meet regularly at the same time and place each week or month provides the opportunity for outreach and extension work in relation to a variety of other services; from production-related services (skills training and enterprise development) to health and family planning to legal literacy and assistance. Microfinance organisations have also benefited from the trust relationships built up between members to develop effective insurance services. As Mackintosh and Tibandebage (2004) argue, community-based insurance services are found to work better when they can build on pre-existing trust relationships. This has been the case with microfinance organisations that have started up health insurance schemes for their members (since ill health is one of the most frequent causes of members' inability to repay their loans).

There are also synergies that relate to outcomes. Given the multidimensional nature of poverty, improvements in one dimension may be critical in bringing about improvements in others. In India, for example, Dreze and Goyal (2003) have argued that the effectiveness of the mid-day meal scheme would be improved if it were linked to related inputs such as micronutrient supplementation, health services and nutritional education. In Tamil Nadu, which pioneered the scheme, children are also given regular health checkups and free treatment of minor illnesses.

Our analysis has also drawn attention to the existence of positive secondary spill-over and multiplier effects associated with social protection measures. Once again, the close interdependence between women's access to resources and children's well-being helps to

explain some of these effects. We have noted, for instance, how the impact of the provision of financial services or social pensions on children's welfare and education, and its gender distribution, varies depending on whether the recipient is male or female. Measures to expand or secure women's livelihood opportunities may be an effective route to expanding the take-up of health and educational facilities. We have also found evidence the provision of childcare support for working women not only enhances their ability to take up paid work, and the range of options available, but also increases the likelihood that their children will go to school.

Social protection measures can be purposively designed to address social inclusion. For instance, along with promoting children's nutrition and participation in school, the mid-day meals scheme in India had both direct employment effects in terms of the recruitment of women, often from the lower castes, to prepare the meal's and indirect employment effects by releasing working women, often female heads, from having to interrupt their working day in order to prepare children's meals. In Pakistan, the Tawana School feeding, programme led in some communities to children from different castes and social groups eating together for the first time (Kabeer et al. 2006); In Brazil, the provision of conditional cash transfer cards to poor and marginalised families represented the first time that many had received any tangible recognition from the state.

There was a further set of evidence on the impacts of social protection measures in the wider economy and community:

- Studies from Brazil, Namibia and South Africa show that regular and predictable cash transfers to poor households in the form of social pensions have important multiplier effects in the wider economy, giving rise to increased trade opportunities.
- An evaluation of the road maintenance programme in Bangladesh found that it led not only to the proliferation of trade and increased livelihoods as a result of the greater ease of communication, but also to a rise in the ability of girls to attend school and women to access health clinics.
- In Peru, involving women in the selection and design of 'secondary rural roads projects not only reduced women's unpaid work burdens and increased their participation in trade and markets, but also enhanced their political involvement and improved safety of travel.

- Studies of micro-finance from South Asia and Africa point to their wider impacts on the local economy (EDA Rural Systems 2004; Mosley and Rock 2004; Rahman and Khandker 1994). Increased opportunities for self-employment have been found to increase wages in local labour, the expansion of entrepreneurial activity has generated secondary wage labour effects while the diversification of credit sources has reduced the interest rates charged by money lenders.

There is also preliminary evidence pointing to the countercyclical effect of microfinance in that microfinance borrowers are less affected by economic shocks than the banking sector. This makes it appealing to international investors seeking to reduce their portfolio volatility. On the other hand, it has also been found that borrowers from the more socially-oriented MFOs are less likely to default on their loans in times of economic recessions than those associated with the more commercially oriented organisations (Velasco and Marconi 2004)

Also on the wider developmental impacts of social protection, it is worth noting, that the supporters of the National Employment Guarantee Act in India do not view it simply in terms of a limited social protection function but as providing ‘the legal space to move towards a full-employment society’ in other developing countries as well (Bhaduri 2005: 69). In situations where the aggregate levels of demand in the economy do not serve to eliminate serious levels of un/underemployment in the labour market, employment guaranteed public works schemes at a minimum wage rate may be required to break the inertia of continued unemployment and kick-start economic growth, particularly in depressed areas. Bhaduri sees such schemes as one component of larger macroeconomic programmes for employment growth.

Finally, we have also seen some of the ways in which social protection measures can be used to promote the voice and agency of the poor. In some cases, the very existence of basic security can help poor people free themselves from exploitative forms of dependency relations with landlords or moneylenders. Evidence from Bangladesh on microfinance and from India on the employment guarantee scheme testifies to these outcomes.

In other cases, the design of service delivery explicitly incorporates the potential for building voice and organisations, of the poor. However, as we have noted, the weak performance of the World Bank’s community-based community-driven efforts to promote ‘bottom-up’ approaches to good governance suggest that it is not the most appropriate organisation to be involved in this

kind of work. Instead, it is organisations promoted through grassroots activists and practitioners attuned to local realities that have proved to be far more successful.³

SEWA has helped to generate a model of organisation among poor women workers that combines trade union negotiating strategies with co-operatives around livelihood strategies. Analysis of SEWA's negotiating strategies shows how workers can use the existence of minimum wage legislation to negotiate with employers, traders or subcontractors for improvements in the return to their labour. Conversely, demands for social protection have acted as a mobilising force among some of the hardest to reach workers in India. New trade unions of domestic servants, garbage collectors and sex workers have used demands for social recognition and basic security as the basis of their mobilisation.

Evidence that social protection measures signed to address livelihood security concerns can also generate linkages to economic

³It is ironic, therefore, that Bank funding on its community-based/community-driven projects has been increasing while funding for women's organisations and networks has been systematically declining (Kerr 2007).

growth, develop human capabilities and build voice, agency and citizenship among marginalized groups suggests the need to mainstream social protection strategies within the broader development effort. It counters the idea that there is necessarily a trade-off between protecting the vulnerable and economic goals. It provides a rationale for thinking seriously about the development of a coherent and institutionalised system of social protection in place of current ad hoc strategies in which 'flavour of the month' instruments succeed each other and are rapidly, and often thoughtlessly, replicated across the world with little regard to context and institutional sustainability.

Conversely, Policy Makers need to be better informed about the negative synergies that result from the absence of reliable and inclusive systems of social protection. There are numerous examples in the literature of the transient and chronic poverty effects of vulnerability and risk and uncertainty: the inability to take up productive but risky investments and the confinement to the low risk/low return activities characteristic of the poorer end of the informal economy; levels of nutrition and health too low to allow for productive work; and failure to send or keep, children at school, thus contributing to the inter generational transmission of poverty. Addressing these forms of risk and insecurity allows the unlocking of economic potential among the poor. Research on meanings and experiences of citizenship suggest that those who are excluded from the opportunities to participate in the life of the community and share in its resources are also least likely to observe the basic obligations of citizenship. It is not surprising that excluded minorities are most likely to resort to crime, drugs and other forms of anti-social behaviour.

8.13 SUMMING UP: A FINAL NOTE: EMPLOYMENT-CENTRED MACROECONOMIC POLICIES

The generative model of social protection, with the capacity to bridge the gulf between poor and vulnerable groups and the mainstream economy, is partly an argument about affordability in the light of 'fiscal responsibility' arguments that determine what is affordable in the current policy climate. It argues against narrowly defined measures of costs and benefits that fail to capture the full contributions of social protection to mainstream goals of development and hence its real marginal costs (Barrientos 2004).

There is another set of arguments, however, that challenge the interpretation given to the notion of fiscal responsibility in the dominant development discourse. As Cornia (2001) points out, there may be genuine concern for the plight of the poor in efforts to promote social protection, and a great

deal of innovation around specific approaches; however, no matter how well designed, social protection measures cannot substitute for broad-based economic growth capable of generating the livelihood opportunities that provide 'decent-work' and acceptable standards of living as well as the resource base necessary to defend and expand the social contract. Moreover, here it is not at all clear that present approaches to macroeconomic policies are most conducive to this broad-based economic growth, given growing evidence of their adverse impacts on poverty, vulnerability and distribution and their failure to generate the jobs necessary to absorb a growing labour force.

Yet, the key tenets of the neo-liberal macroeconomic policies have proven difficult to challenge. The deflationary bias of these policies, a product of the overriding priority given to maintain price stability through monetary and fiscal restraint, has been singled out for criticism for its negative impact on employment generation and poverty reduction (McKinley 2001; Weisbrodt et al. 2001). While there is considerable consensus about the need to keep inflation under control, there is much less consensus about the rates of inflation that might be compatible with broader development goals.

An external evaluation of International Monetary Fund (IMF) policy carried out by a high-level group of experts suggested that the IMF showed more concern with short-term than long-term objectives and that it was primarily concerned with the fiscal implications of privatising state-owned enterprises with little regard to the efficiency of alternative forms of privatisation (IMF 1998). It also indicated that the Fund needed to modify its concern with fiscal deficits, pointing out that in countries that have achieved stabilisation, the attempt to reduce current account and exclusive fiscal deficits 'has no bearing upon the control of inflation, while it is damaging for growth' (ibid.: 31). Estimates of the inflation-growth relationship do not support the idea of a negative relation for moderate rates of inflation - up to 20 per cent a year (McKinley 1997 and 2001). In addition, the relationship between inflation and growth appears to vary depending on the underlying causes of inflation. When low to moderate rates of inflation reflect investment demand pressures in an expanding economy, the effects on growth are often positive (Braunstein and Heintz 2006).

Sustainable and equitable poverty reduction requires 'a series of measures, including a macro-economic policy attentive to its social impact, sustained investments in social programmes and the development of flexible but permanent social safety nets which are well integrated in a

nationwide social protection and development framework' (Cornia and Reddy 2001:29). When the predictions of the orthodox model of the economy are treated as hypotheses to be tested rather than assumptions to be taken for granted, a different set of policy options open up. They move the agenda beyond the 'anti-deficit radicalism' of the orthodox approach (Sen 1998) and accommodate a more pro-active role for the state in mobilising domestic savings and inducing investment in strategically targeted sectors, physical infrastructure, social protection and environmental conservation. But the experience of the past also cautions against a view of the state as a benevolent representative of the public good. Rather the state becomes a major site for struggles over the interpretation of needs and the allocation of resources. Building the capacity of the poor and excluded groups to participate in these struggles is indispensable to the promotion of more inclusive systems of social protection and a more equitable path to economic growth.

8.14 GLOSSARY

Employee Guarantee Scheme of Maharashtra: The aim of the Maharashtra Employment Guarantee Scheme (EGS) is to address the problem by providing guaranteed employment at a wage level sufficient to ensure a minimum level of subsistence. By reducing risks faced by poor households, and by constructing productive assets and infrastructure, the scheme also aims to have a longer-term developmental role.

The EGS is designed so as to minimise the administrative costs and disincentive effects associated with targeted transfers. It does this in two main ways. First, the work requirement reduces the incentive for the non-poor to masquerade as the poor in order to qualify for benefits. Second, the work requirement also implies that benefits do not deter poverty-reducing investments in job search and/or building of human capital. As the work requirement necessarily excludes some people (e.g. the elderly), it is complemented by other schemes, such as state pensions and subsidized food.

8.15 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1. The starting point for our analysis was the steady rise in the rate of female labour force participation in most regions of the world and their disproportionate concentration in informal

work. Many more women from all social classes and stages of the life cycle - including young women, married women with and without children and older women - are now economically active in the conventional sense of the word than was the case when Boserup (1970) conducted her analysis of women's work in developing countries. Women's market contribution increased in importance within household livelihood strategies often representing the mainstay of the household economy and a safety net of first resort in times of crisis. This is most evident in the growing numbers of households headed by women, but it is also the case in many male or jointly headed households where men are ill, disabled, unemployed or simply unable to find work that pays an adequate or regular income.

Check Your Progress Exercise 2

1. In the Bangladesh Rural Maintenance Programme (RMP), the use of loudspeakers to announce recruitment proved to be effective in the early stages when the programme was relatively unknown. In India, the Employment Guarantee Scheme (EGS) in Maharashtra sent drummers out to different villages to proclaim the opening of new work sites. Attempts to pro-actively recruit women to public works programmes benefit from the presence of civil society organisations or women's groups that have established contacts with poorer sections of the community, particularly its female members.

Check Your Progress Exercise 3

1. While early evaluations of social funds were not promising as far as promoting gender equity was concerned, the flexibility of their design has allowed for continued experimentation. Lessons learnt from experience have led to the emergence of innovative features such as participatory needs assessment in the Jamaican Social Investment Fund, information/outreach activities in the Eritrean Social Fund and community-driven development initiatives in Indonesia (Fumo et al 2000). In addition, recent studies document examples of efforts to ensure women's participation not only in the employment generated by schemes but also in the schemes' design and management through various forms of quotas and guidelines. Strong government directives and the use of gender quotas, while not always sufficient to overcome biases, do serve as a reminder about policy intentions.

Check Your Progress Exercise 4

1. According to Gulati and Narayan (2003) subsidies on canal irrigation, power for pumped irrigation, fertiliser and guaranteed purchase schemes make up a total of 13 per cent of agricultural GDP in India but largely benefit richer farmers in richer states. Also in India, a study by the Centre for equity Studies calculated that if all primary and secondary school students received free mid-day meals, the cost would be Rs. 90 billion annually against a total education budget of Rs. 800 million. However, subsidies to the middle classes-on electricity water, cooking gas and higher education----- added up to Rs 1,200 billion. Annual defence expenditure was Rs 700 billion, In South Africa, tax exemptions to private pension plans have been estimated to reduce revenues by an annual 1.7per cent of GDP. Tax exemptions elsewhere also, show large leakages to the poor and a diminished tax base. There is also scope for raising taxes: in 1995-97, tax revenue was 38 percent, of GDP among developed countries but only percent in developing countries (Barrientos 2004). Despite the broad association between per capita gross national product (GNP) and levels of social expenditure and human development out comes many countries perform below the average for their levels of per capita GNP while others perform above this average, suggesting that other factors also come into play.

8.16 REFERENCES AND SELECT BIBLIOGRAPHY

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8.17 QUESTIONS FOR REFLECTION AND PRACTICE

1. Do you agree direct cash transfer will benefit women to provide social protection? Discuss.
2. Explain a generative model of social protection with suitable examples.