



# Union Organizing of Informal Workers

Sue Schurman and Adrienne Eaton  
CRIMT Conference on Union Futures,  
October 2012

School of Management  
and Labor Relations

# The Rutgers Research Team

- Adrienne Eaton Co-Principal Investigator
- Sue Schurman Principal Investigator
- Rebecca Gumbrell-McCormick
- Verna Viajar
- Gilma Madrid
- Sahra Ryklief
- Research Assistance: Camille DiLeo, Faiza Abbas

## Outline

1. Definitions and Overview of the Impact of Globalization on Employment
2. Purpose of the research
3. Methodology
4. Findings/Conclusions

## The “label problem:” What’s informal?

- Debate on the use of the term informal
- Globalization is affecting all types of employment in all types of labor markets in all regions
- To understand it – it does not make sense to study “informal” workers apart from other types of workers
- Informal, precarious, concealed, underground, non-standard, atypical, irregular, subterranean, "black," shadow, invisible, hidden, submerged, irregular, non-official, unrecorded, clandestine, etc. etc.

The Globalization Process: Today's "standard" is tomorrow's informal etc. etc.

### Labor Market Categories

Primary Sector	Secondary Sector	Informal Sector	Illegal Sector
<ul style="list-style-type: none"> <li>• High wage</li> <li>• High security</li> <li>• Well regulated</li> </ul>	<ul style="list-style-type: none"> <li>• Low wage</li> <li>• Low security</li> <li>• Poorly regulated</li> </ul>	<ul style="list-style-type: none"> <li>• Self Employment</li> <li>• Casual Labor</li> <li>• Unregulated</li> </ul>	<ul style="list-style-type: none"> <li>• Criminal</li> <li>• Unregulated</li> </ul>



## Purpose of the research

- Review the existing literature on the role of traditional trade unions globally (including Global Union Federation and ITUC, National “peak” federations and Sectoral Unions in selected countries) in organizing, representing or otherwise assisting informal workers.
- Summarize what can be learned from existing knowledge and identify areas for future research
- Collaborate with practitioners to discover new forms of worker organization and representation that are responsive to the demands of a global economy

## Our Methodology

- Regional blocs as the unit of analysis: North America, Latin America, Africa, Asia, Europe
- Review secondary literature
  - academic and practitioner
- Regional studies trade depth for breadth
- Searching for larger patterns

## Extent of Informal/Non-standard Work

- W. Europe (self-emp): 5.8% (France) – 17.3 (Italy)
- N. America: (“own account”, self-emp)
  - 6% (U.S, 2003)- 10% (CA 2000)
  - U.S.: 22% of pvt sector excluded from labor law
- Africa: 80% of non-ag employment (2000), 60% of urban employment, 90% of new jobs
- Asia: Hong-Kong: 10.7% of employment, Phillipines – 44.6%, Cambodia –95%, India – 93%
- Latin America: 42.1% of labor force (Brazil) – 70.3% (Peru)
  
- Disproportionately women
- Disproportionately immigrants or internal migrants



## What kinds of work?

- Street vendors
- Taxi drivers
- Truck drivers
- Porters
- Artisans
- Waste pickers
- Sub-contracted factory/service workers
- Construction
- Day laborers
- Domestic workers
- Agriculture workers

## Examples from each region

- **U.S.** - LIUNA (Laborers' Union) alliances/affiliations with Day laborer worker centers
- Federation of Trade Unions of **Ukraine** – political pressure to regulate non-std employment and ban outsourcing
- **Ghana**: Maritime and Dock Workers Union (MDU) formed a company to absorb unemployed members who work as casual laborers
- Building and Woodworkers Trade Union Federation of **Cambodia** – trying community based organizing, firm-based organizing, craft-based organizing, legal assistance, capacity building education, policy reform (safety and health standards, for example)
- La Confederacion de Union Sindical de **Guatemala** formed the Federación de Unidad Sindical de la Economía Informal de Guatemala, which includes 7 sectoral trade unions (cycle taxis, taxi drivers, traders, market vendors, etc.)

# Conclusions

- The line of demarcation between formal and informal employment is blurring and this is likely to continue.
  - “non-standard” has become standard in much of the world
- Legal frameworks governing employment & labor relations and social benefits are still geared to formal employment and standard jobs in most countries
- Informalization has a disproportionate impact on women
- Strong correlation between globalization and migration/immigration and informal work as a survival strategy.

# Conclusions

- Organized labor movements throughout the world:
  - have had common difficulties in expanding the scope of their membership or constituencies.
    - First reaction to informalization is to oppose it and exclude the workers involved
    - However, there are many, many examples of unions who have moved to inclusion
  - have also faced common struggles in altering their structures.
    - Unions at different levels – international, national centers/federations, and national unions have different roles to play.
    - how best to relate to the NGOs or MBOs that have often taken the lead in organizing informal workers.

# Conclusions

- Organized labor movements throughout the world have had common difficulties in altering their representational strategies.
  - Traditional strategies - collective bargaining and political advocacy - remain important.
  - Another important strategy for almost all types of informal workers is gaining access to various types of social protections including employment law and social insurance.
  - But many informal workers need approaches (cooperatives, insurance, access to capital, and business skills) that address their needs as very small scale entrepreneurs. *This moves most traditional unions beyond their comfort zone.*
  - Education and skill building of various kinds play a critically important role in union strategies.

# Conclusions

- There remain significant differences across and regions and countries based on the role of the state and law, the role and nature of employers and the strength and nature of the unions themselves.
  - The sharpest differences are probably between the approaches and needs in the global north and south
- Despite a growing literature on this topic, too little is known about what works for organizing informal economy workers
  - Research often does not get deeply into the dynamics of decision-making within the union that leads to the commitment to organize these workers.
  - There are clearly some success stories that we need to better understand. (This year's projects.)

<http://www.solidaritycenter.org/content.asp?pl=1329&contentid=1329>

<http://smlr.rutgers.edu/news-events/review-of-trade-union-organizing-in-informal-economy>

**THE END**

# The Global Search for Flexibility

Employment and labour relations systems of both developed and developing nations have experienced significant changes:

- increased flexibility in both compensation and labour deployment
- deregulation of existing labor standards
- reduction of tariff and non-tariff barriers
- facilitation of the flows of capital and investment
- privatization of public industries or SOEs, which has significantly increased competition pressures of firms



## Seven insecurities (Standing, 1997)

- labor market security - adequate employment opportunities
- employment security - protection against arbitrary dismissal, employment stability compatible with economic dynamism, etc.
- job security - a niche designated as an occupation or “career”, the opportunity to develop a sense of occupation
- work security - protection against accidents and illness at work, limits on working time etc.
- skill reproduction security - opportunities to gain and retain and have skills recognized
- income security
- representation security

# Union density declining all over the world

- Continuing variation in density levels across countries
- Density levels suggest that historical legacies of national union movements and national social economic and political context exert effects
- National Labor Centers and traditional unions react differently to the common challenges of globalization
- However, all are struggling with
- Union strategic responses can make a difference
- How have they approached organizing, representation and advocacy of informal workers?

## The Solidarity Center/Rutgers/WIEGO partnership offers a unique opportunity

- Brings together leading ILR and Labour scholars with leading practitioners in the field of global democracy development through workers' self organizing and democratic trade union building.
- Opportunity to “get the untold story” – to understand the details of success and failure that are missing from the published case studies but that practitioners know.
- To learn from the collaboration how to better plan and evaluate program logic models, implementation and impact.
- To create a “learning community” committed to improve both practice and theory.

The background of the slide is a solid red color. In the upper left corner, the word "RUTGERS" is written in a large, white, serif font. Below it, in a smaller, white, sans-serif font, are the words "THE STATE UNIVERSITY OF NEW JERSEY". A large, faint, circular seal of Rutgers University is visible in the background, centered behind the text. The seal features a sunburst design and the text "RUTGERS THE STATE UNIVERSITY OF NEW JERSEY" around the perimeter.

RUTGERS  
THE STATE UNIVERSITY  
OF NEW JERSEY

Europe

Rebecca Gumbrell McCormick and Mihai  
Varga

School of Management  
and Labor Relations

# Overview

- Based on 10 west European countries: Belgium, Netherlands, France, Germany, Austria, Italy, Denmark, Sweden, UK, Ireland, Spain; 2-3 eastern European countries: Ukraine, Romania, and possibly Russia
- focus on trade union strategic responses to globalisation and other challenges
- major theme: decline of 'normal worker' with 'permanent' full-time employment contract

## VARIETIES OF 'ATYPICAL' AND 'PRECARIOUS' EMPLOYMENT

- part-time
  - precarious – not necessarily!
- temporary
  - but what is 'permanent' ?
- agency (Temporary Agency Work)
- subcontracting / outsourcing
- dependent self-employment
- posted workers
- 'informal' or undocumented work
- cross-national variation in regulation and deregulation
- employer strategic choice

Table 1: Indicators of 'atypical' and 'precarious' work

	P-T*	Temp*	Temporary agency work†	S-E‡	Undec§	Employment protection legislation¶		
						1	2	3
SE	26.6	16.1	1.0	6.4		2.9	4.5	1.6
DK	24.6	8.4	1.2	4.5		1.5	3.9	1.4
DE	25.0	14.7	1.6	6.1	3	2.7	3.8	1.8
AT	23.3	9.0	1.4	6.8	7	2.4	3.3	1.5
NL	47.3	18.2	2.5	8.7	13	3.1	3.0	1.2
FR	16.9	14.2	2.1	5.8	6	2.5	2.1	3.6
IT	14.3	13.3	0.6	17.3		1.8	4.9	2.1
BE	22.6	8.3	2.3	9.0	6	1.7	4.1	2.6
UK	25.3	5.4	5.0	10.2	2	1.1	2.9	0.4
IE	16.8**	8.5	1.3	10.7	4	1.6	2.4	0.6

\*European Commission, *Employment in Europe 2009*. Data for 2008. P-T: self-definition as part-time except for NL, where definition is weekly hours under 35. Temp = fixed-term contracts.

†Vanselow and Weinkopf (2009) *Zeitarbeit in Europäischen Ländern: Lehren für Deutschland?* Estimates for 2006.

‡European Foundation, *Industrial Relations Developments in Europe 2008*. Self-employed

# TRADE UNIONS: CHALLENGES AND RESPONSES

- threat and/or opportunity for unions
- almost universally low unionisation rate of these workers – why? workers, unions, or both?
- key strategic choice: exclude or include? historical dimension and ideological difference
- recruitment, representation, mobilisation
- new forms of organisation, incl. separate unions
- campaigns and alliances
- political pressure for improved regulation and protection
- EU dimension



# Conclusions

- complex picture: variations across countries depending on types of unions, role of employers, state and regulation
- parallels / interaction of atypical work with age, gender, ethnicity
- union responses: resist, control, include
- organising workers or regulating work: will, capacity and resource allocation
- but some success stories !



# Northamerica: United States and Canada

Adrienne Eaton and Sue Schurman

School of Management  
and Labor Relations

## Similar basic legal framework

In both countries the state exerts indirect controls over industrial relations - “rules of the game” - through the legal framework which determines e.g.

- Which employers and employees the law covers
- When a relationship is “collectivized”/requires coll barg
- Procedures for impasse
- This legal framework supports labor relations based on a stable worksite and excludes informal and nonstandard employment
- These workers are similarly excluded from most employment laws (protecting individual workers)
- Antitrust (monopoly) laws prohibit collective behavior by “employers” (including “independent contractors”)

## Extent of these forms of work

- Informal economy estimates
  - US: 8.5-10%    Canada: 11.5-16.4%
- Self-employment (% of labor force)
  - US: 6%\* (2003)    Canada: 10%\*\* (2000)
- Involuntary part-time work
  - US: >6% (2011)\*\*\*    Canada: ~6% (2006)
- Temporary work
  - Canada: 7% (2006), 10-11% (Ontario only, 2009)
  - US: Direct hire + agency + on-call, day labor = 5% (2005)
- Exclusion from legal protections (US only)
  - Labor Law– 22% of private sector
  - Minimum wage and OT law – 35% (1996)
- Women, people of color and immigrants over-represented

## Unions and informal/nonstandard work

- Most N. American unions have had difficulty getting out of the labor law box
  - Problems of imagination
  - Problems of structure
  - Problems of culture and demographics
- Two patterns
  - Unions provide support for separate organizing
  - Unions organize directly (but even here, almost always after separate self-organization)
    - Goal typically remains establishing collective bargaining through
      - Legal change
      - Structural change (creation of an employing entity)

## Similar basic legal framework

In both countries the state exerts indirect controls over industrial relations - “rules of the game” - through the legal framework which determines e.g.

- Which employers and employees the law covers
- When a relationship is “collectivized”/requires coll barg
- Procedures for impasse
- This legal framework supports labor relations based on a stable worksite and excludes informal and nonstandard employment
- These workers are similarly excluded from most employment laws (protecting individual workers)
- Antitrust (monopoly) laws prohibit collective behavior by “employers” (including “independent contractors”)

## Extent of these forms of work

- Informal economy estimates
  - US: 8.5-10%    Canada: 11.5-16.4%
- Self-employment (% of labor force)
  - US: 6%\* (2003)    Canada: 10%\*\* (2000)
- Involuntary part-time work
  - US: >6% (2011)\*\*\*    Canada: ~6% (2006)
- Temporary work
  - Canada: 7% (2006), 10-11% (Ontario only, 2009)
  - US: Direct hire + agency + on-call, day labor = 5% (2005)
- Exclusion from legal protections (US only)
  - Labor Law– 22% of private sector
  - Minimum wage and OT law – 35% (1996)
- Women, people of color and immigrants over-represented

## Unions and informal/nonstandard work

- Most N. American unions have had difficulty getting out of the labor law box
  - Problems of imagination
  - Problems of structure
  - Problems of culture and demographics
- Two patterns
  - Unions provide support for separate organizing
  - Unions organize directly (but even here, almost always after separate self-organization)
    - Goal typically remains establishing collective bargaining through
      - Legal change
      - Structural change (creation of an employing entity)



## Canadian cases reviewed

- Rural Route Mail Couriers and Canada Union of Postal Workers
- Organizing under the Canadian Status of Artists Act
- Home-based garment workers and ILGWU
- Agricultural workers and UFCW
- Domestic workers and INTECEDE (not really a union case but community org seeking bargaining rights)

## Interesting aspects of Canadian labor law

- "Dependent contractors" covered under national law
- Status of Artists Act (national and some provinces) creates a legal framework and structure for independent contractors to unionize

## U.S. cases reviewed

- Day laborers and LIUNA (Laborers' Union)
- Home-care and home-based child care workers and Service Employees union and other unions
- Port truck drivers and the Teamsters
- FedEx truck drivers and the Teamsters
- WashTech and the Communications Workers of America (high tech independent contractors/temps)

# Conclusions

- Legal changes often not sufficient
  - the model legislated may not fit the structure of employment
- Traditional unions often easily discouraged from organizing and representing these employees when the legal frameworks are not in place or are unclear.
- Campaigns often involve years of work and a lot of financial and human resources.
- Unions have particular strategic or tactical reasons for organizing these workers.
  - committed to growth in a general way
  - define the informal/nonstandard workers as part of their jurisdiction and therefore necessary to build or rebuild density.

## Conclusions

- Non-standard workers have gotten caught in the middle of inter-union or inter-labor organization conflicts.
- Research often does not get deeply into the dynamics of decision-making within the union that leads to the commitment to organize these workers.
- In most of these cases, these workers had either self-organized into non-traditional labor organizations or were being served by a community organization created by middle-class reformers or a hybrid of both, before the traditional union became interested and involved.
  - This makes the division between union and nonunion organization a particularly artificial one.

**RUTGERS**  
THE STATE UNIVERSITY  
OF NEW JERSEY

# Africa: South Africa and Ghana

Sahra Ryklief

School of Management  
and Labor Relations

## Overview:

- Non-regulated or informalised occupations are integral to modern industrial growth in Africa
- The numbers are continuing to grow in the global era of flexibility
- Not always new forms of work:
  - Agriculture, construction and domestic workers have organised themselves into unions in the past
  - These unions have seldom flourished
  - Low unionisation rates and weak institutional base in industrial unions

## Question

- How strong is “bargaining power” in post-fordist, post-colonial economies with high levels of industrial work?
  - Case studies of South Africa and Ghana explore the critical question
- Why? Both economies are stable and display growth; both have stable industrial relations systems

## Differences between the countries:

- Very different labour markets:
  - 86% of Ghana's workforce is “informal”; low unionisation levels (1%)
  - South Africa has high union density for Africa but rising informal work levels due to shrinking of employment in core/first/primary sector
- Very different experiences in organising non-regulated workers:
  - Ghana: regional pioneer in theorisation and organisation
  - South Africa: slow to organise and represent



## Will Explore:

- Level of organisation of non-regulated workers
- Success and challenges in organisation
- TU articulation of improvement of standards
- Legislative framework and whether these have an effect on unionisation and vice versa

## Will be added to during seminar

- Complex picture: variations across countries depending on types of unions, role of employers, state and regulation
- Role of law is important and there is an interaction between union strategy and legal framework
  - Organizing may mean changing the legal framework first which requires imagination, time and resources
- Research often does not get deeply into the dynamics of decision-making within the union that leads to the commitment to organize these workers.
- There are clearly some success stories that we need to better understand.