Informal Workers’ Struggles in Eight Countries

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On 24 April 2013, an eight-story building in Bangladesh collapsed, killing and injuring hundreds of workers.¹ Over half of the victims were women and children, and nearly all of them were low-income garment workers producing cheap clothes for 29 different Western brands. The workers operated in five garment factories that were built without permits on the top floors of the building and lacked standard safety features. They were told to come to work even though other occupants of the building were evacuated when cracks in the building were discovered the day before. The accident, now known as the deadliest garment factory accident in history, rocked the world with appalling pictures of trapped workers reaching out for help. It unveiled the plight of the growing group of unregulated, unprotected workers who are often hidden from the public eye, but form the bedrock of contemporary global economic production.

Since the turn of the last century, the world’s workers have struggled to institute a social contract that could eradicate the type of unprotected work found in the Bangladeshi garment factories by regulating working conditions and protecting all workers’ dignity and human rights. While the resulting social contracts that emerged during the twentieth century varied across countries—in substance and in enforcement—the contracts shared, at the very least, an expressed commitment to holding capital responsible for decommodifying workers’ productive and reproductive labor in the form of minimum wages, job security, work contracts, and in some cases health care and old-age benefits. In return for the formal recognition of work and attached benefits, workers provided their

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labor. The state was held responsible (usually by organized labor) for enforcing this contract between capital and labor. So how did the thousands of unprotected Bangladeshi garment workers in the fated building emerge?

While the struggles and social contracts of the twentieth century did much to improve the lives of millions of workers, they also failed in two important ways. First, they excluded a vast majority of the workforce that capital employed outside the purview and protection of legal regulations. These workers, variously known as informal, precarious, or irregular, enabled capital to exploit a cheap and flexible labor force that could ultimately subsidize its protected, formal workers. Some informal workers, known as self-employed workers, owned small, unregulated businesses that provided cheap, local goods and services for low-wage, formal workers (such as food, clothing, shoes, and haircuts). Other self-employed workers provided cheap inputs for capital production. Still others, known as contract or casual workers, were directly involved in capitalist production, but they were hired through sub-contractors and operated in their homes or unregulated work sheds to avoid visibility, and thus regulation and protection. Informal workers, therefore, are a structural feature of capitalist accumulation and have always existed, especially in the Global South.

The second wrinkle in the twentieth-century social contracts is that they have not proven to be sustainable. Since the 1980s, states throughout the world have tried to liberalize their economies by deregulating markets. As part of this effort, states have been pulling away from their responsibility to enforce labor regulations, thereby enabling capital to eject itself from the twentieth-century contract and absolve itself of responsibility toward labor’s welfare. Firms claim that in order to remain competitive in an increasingly global market, they must hire even more informal or precarious workers, who are not bound by legal recognition, costly labor benefits, and the constraint of job security. In response to these claims, governments have moved away from supporting the efforts of labor movements to eradicate informal work by enfolding all workers into the protected, regulated sphere, and have instead overtly sanctioned informal labor.

Within this framework of decreased restrictions on employers, employment has grown in the Global South over the past two decades. East Asia and South Asia have much lower unemployment levels than the global average of 5 to 6 percent (at 3 to 4 percent). While there has been a slight increase since 2008, unemployment levels are still lower than they were in 1991. In Latin
America and sub-Saharan Africa, unemployment levels are higher than the
global average—which is being pushed down by Asia—at 6 to 9 percent, but
there has been a steady decline since 2000 in sub-Saharan Africa and 2003 in
Latin America. Additionally, labor productivity throughout the Global South
has increased in the last two decades. Improvements in labor productivity have
been especially high in services.

The news, however, is not all good. The figures on employment and labor
productivity tell us little about the kind of work that is expanding and the condi-
tions in which the world’s workers are operating. A quick look at poverty figures
suggest that the expansion in work and improvements in labor productivity in
the Global South can largely be attributed to driving down real wages and inten-
sifying working conditions. Although the number of people living in extreme
poverty (less than US$1.25/per day) has dropped in recent decades—which is
consistent with expanding employment—the number of people living in near
poverty (between $2 and $4 per day) has increased by 142 million in the past
decade, raising the total to 661 million people. In other words, although em-
ployment is expanding, more of the world’s workers are operating in degrading
conditions with little pay and intense working days. This work, which is often
unregulated, unprotected, informal work, is expanding throughout the Global
South. In South Asia, Southeast Asia, and Africa (excluding South Africa), the
informal workforce represents 60 to 80 percent of the nonagricultural workforce;
in Latin America, it represents 40 to 60 percent. Significantly, the trend toward
a swelling informal workforce coupled with a shrinking formal workforce, can
be found in the Global South and the Global North. As a result of these global
trends, labor activists and scholars repeatedly claim the power of labor relative
to capital has dramatically weakened. The Bangladeshi garment factory tragedy
exemplifies this claim.

But is labor in a permanent state of crisis? History has shown that such
crisis wax and wane. Karl Polanyi famously asserted that the pendulum of de-
regulation and decommodification swings back and forth as labor reasserts its
rights against the onslaught of capital. Karl Marx astutely highlighted how the
contradictory social relations engrained in capitalism have and will constantly
yield working class struggles. So if we use history as our guide, then we should
expect labor to reinvent itself and assert a new social contract for the twenty-first
century. What will labor look like in the twenty-first century? What will the
twenty-first century social contract look like?

In 2012 a group of scholars formed the Experiences Organizing Informal
Workers (EOIW) network to answer these questions by building a global
framework for understanding contemporary labor struggles among informal workers.\textsuperscript{11} Thus far, EOIW scholars have documented informal workers’ organizing efforts across industries within each of eight countries (Canada, United States, South Korea, China, India, South Africa, Mexico, and Brazil). Informal workers, in other words, are organizing to defend their humanity despite their vulnerabilities and in contrast to popular belief that informal structures of production prevent organization. Informal workers’ struggles offer both continuities and alternatives to twentieth-century labor movements. Based on our research to date, which is still at a preliminary, unpublished stage, this article outlines our findings on informal workers in India as well as some initial findings on crossnational themes emerging across our eight-country studies. Throughout, questions emerge that can help move us toward a more global understanding of informal workers’ struggles in the twenty-first century.

**Who are Informal Workers?**

While the official definition of an informal, precarious, or irregular worker differs across countries, there seems to be an international consensus emerging that these terms include the following three categories of workers:

- Self-employed and family workers
- Contract workers who are misclassified as independent contractors to hide the wage relationship
- Contract workers who might work for an unregistered or a registered employer.

None of the above workers have a labor contract. Most often, they operate in precarious, vulnerable working conditions with low incomes. In some cases, due to labor struggles, certain groups have attained access to benefits. Today informal workers can be found in manufacturing, construction, and services. Thus far, our evidence indicates that most informal workers struggle in urban (or semiurban), nonagricultural work.\textsuperscript{12}

**How are Informal Workers Organizing in India?**

I have analyzed elsewhere how informal workers in India are advancing their rights through alternative workers’ struggles.\textsuperscript{13} Rather than fighting unregulated, flexible production structures and demanding traditional work benefits from
employers, such as minimum wages and job security, Indian informal workers are using their power as voters to demand state responsibility for their social consumption or reproductive needs, such as education, housing, and healthcare. To institutionalize this strategy, Indian informal workers are fighting to enact and implement an innovative institution called welfare boards. Welfare boards are tripartite institutions that are implemented by the state or central government and are funded by governments, taxes on employers, and membership fees from workers. In return for being a member of a board, workers are entitled to a variety of welfare benefits. Currently, welfare boards in India are occupationally based and benefits differ according to trade. Welfare boards have become an increasingly popular protection mechanism among informal workers’ organizations in India.

As a result of this strategy, Indian informal workers are pulling the state into playing an even more central role than it did in formal workers’ movements. Moreover, informal workers are forging a new class identity that connects them to the state through their social consumption needs and attains state recognition for their work—a worker identity card provides official state recognition for their work—even in the absence of employer recognition. In order to attract the attention of elected state politicians to enact the welfare boards, informal workers utilize rhetoric of citizenship rather than labor rights. Informal workers are organizing at the neighborhood level, rather than on the shop floor, in order to mobilize the dispersed, unprotected workforce without disrupting production. Given the unregulated nature of their work, it may seem ironic that informal workers are trying to strengthen their relations with the state. Yet this movement is developing across states and industries in India—thereby reflecting the state’s interest in informal work. These movements also reiterate that the definition of informal workers applies to the circumstances of their work, and not to their politics, which may indeed be formal or officially registered.

Recent scholarly evidence has shown that Indian informal workers are not unique in organizing. Service workers in South Korea, street vendors in Mexico, and immigrant workers in the United States are also launching alternative movements to challenge neoliberal policies.14

Which Informal Workers are Organizing Around the World?

Perhaps the most striking feature of informal workers’ struggles today is that across countries, informal workers are managing to organize demographic and ascriptive groups who were excluded from formal workers’ movements of the
twentieth century. In particular, we find that informal workers are organizing women and migrant workers—both of whom have long been deemed the most vulnerable and “unorganizable” workers. It is worth emphasizing that informal workers’ organizations are not organizing women and migrant workers at the exclusion of men and/or native workers; indeed, men and native workers are growing in the informal sector. That women and migrant workers are included at all in informal workers’ struggles is simply striking. The inclusion of these historically excluded sets of workers in informal worker struggles has shaped the nature, strategies, and demands of informal workers so they differ from those of twentieth-century formal workers. In particular, informal workers’ struggles appear to place a larger focus on reproductive and welfare rights, citizenship identities, previously overlooked sectors of work, and explicit issues concerning gender and race/ethnicity.

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

Increasingly employers have turned to international and domestic migrants
to staff informal employment. As with women, migrant workers have long been seen as especially vulnerable by labor activists and especially exploitable by employers. In the United States, Canada, and South Africa, informal workers have actively fought for improved rights for immigrant workers from abroad. In these countries, vulnerability is seen as tied to a worker’s legal citizenship status. As a result, efforts to protect workers in these countries advocate for public policy changes to legalize undocumented workers, publicize labor abuses, and provide direct support services to immigrant workers, including legal aid, leadership training, and popular education. In the United States and Canada, these organizations usually operate under the worker center model (see below for more detail). Notably, in Canada, the United Food and Commercial Workers and the Agricultural Workers Alliance have created 10 centers for migrant farmworkers, one of which has provided a path to permanent residency for temporary foreign workers in their collective agreement. In South Africa, these organizations are informal and unregistered, although they are often official members of international networks such as StreetNet.17

In China, informal workers have actively fought for improved rights and recognition for rural–urban migrants from within China. Until 2003, these workers were excluded from China’s sole legal union, the All-China Federal Trade Union (ACFTU). By 2007, four years after the ACFTU opened its doors to migrants, 70 million migrant workers had managed to register as members of the union. Despite their progress in incorporating themselves into the official union, migrant workers also developed alternative organizations, such as the Migrant Worker Documentary Center, which provides legal aid and counsel for labor disputes and overdue compensation, offers a cultural development center, manages an occupational safety network, monitors codes of conduct, collects data on labor conditions, and conducts workshops on local and international labor laws.18

Which Occupational Categories of Informal Workers are Organizing Globally?

As noted, informal workers are managing to organize occupational categories that have long been excluded from traditional workers’ movements. In addition, however, informal workers are reorganizing occupational categories whose changing structures of production are demanding new forms of organization. At the comparative level, it is striking to note the similarities in occupational sectors that are organizing across countries, despite the deep variation in country
contexts. Specifically, we find organization among informal workers occurs in domestic work, construction, manufacturing, street vending, transport, and waste picking.  

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

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Another notable trend across occupational categories is that informal workers’ demands appear to be correlated with the location of their occupation. Workers who operate in public spaces—street vendors, transport workers, and waste pickers—are primarily constrained by their antagonistic relations with local enforcement authorities rather than traditional employers. Workers’ efforts in these occupations, therefore, focus on attaining state recognition for their work through identity cards, securing a right to work by attaining access to public space, and regulating the industry through licenses and taxes to avoid harassment.

In contrast, workers operating in private spaces, such as homes, contractors’ worksheds, or employers’ premises are constrained by the antagonistic relations with employers and are thus demanding a decommodification of their productive and reproductive labor. These occupations include domestic workers, construction workers, and manufacturing workers. In some cases informal workers call for improved wages and working conditions, whereas in others they call for welfare benefits. Across all occupational categories, informal workers’ organizations supplement their collective action strategies against the state and employers with direct services to members.

Some evidence suggests that informal workers’ organizing strategies may depend on where they sit on the spectrum of informal work—with contract work on one end and self-employed work on the other. Although both groups share several work characteristics, namely that they do not receive any legal protection or regulation and live in daily precariousness, the structures of their work and their employment relationships differ in ways that are significant for organiz-
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ing (see Figure 1). As ideal types, I suggest that contract workers on one end of the spectrum of informal work fight for measures that can decommodify their labor, such as welfare boards, social security, and increased wages. At the other end of the spectrum, self-employed workers fight for measures that ensure their right to work without harassment from local authorities, such as licenses, taxes, and access to work space. Workers in industries that fall in the middle of the spectrum appear to make both sets of demands. Across the spectrum, informal workers target their demands to the state, employers, and in some cases—especially among transport workers, such as taxi and rickshaw drivers—consumers.

Perhaps most significant, all organized informal workers across occupational categories and employment relations share a struggle for recognition of themselves as workers and their occupations as legitimate categories of work. To attain such recognition, informal workers’ organizations have not only educated workers to own and express their own identities as workers, but have also advocated governments to alter their labor force surveys to better capture home-based and other informal work, include more occupations within the jurisdiction of local labor laws, and issue worker identity cards to informal workers.  

**Figure 1: Continuum of Informal Workers’ Movements**

<table>
<thead>
<tr>
<th>Contract Workers</th>
<th>Self-employed Workers</th>
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<tbody>
<tr>
<td>Bidi (hand-rolled cigarette)</td>
<td>Domestic work</td>
</tr>
<tr>
<td>Construction</td>
<td>Recycling</td>
</tr>
<tr>
<td>Street vending</td>
<td>Transport (taxi, auto/cycle rickshaw)</td>
</tr>
</tbody>
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**Demand: Decommodification**

1. Welfare board
2. Social security
3. Increased wages

**Demand: Right to Work**

1. Regulation (license, tax)
2. Work space

**Innovative Forms of Organizing**

A striking feature of informal workers’ struggles in the contemporary era is the variety of organization types that informal workers have launched to address their needs. These include unions, labor NGOs, service NGOs, mutual aid societies, worker centers, community organizations, and cooperatives.
Brazil deserves deeper attention for its success in building cooperatives with government support and South Korea offers an interesting model of regional unions. The United States and Canada are notable for their worker centers, which fuse elements of labor NGOs, service NGOs, and traditional unions. These organizations sometimes collaborate with traditional unions, and they provide services for informal workers and undocumented immigrants. South Korea and China’s examples of protracted, symbolic, public dramas are unique and fascinating, especially in an age where so many of the world’s workers—informal and formal—have made a more pragmatic turn out of fear of losing employment altogether.21

Finally, India has been especially innovative in launching welfare boards (see above for description).22 Important questions remain as to when these varying forms of organizations can form coalitions and when they operate in a zero-sum situation, as well as to how the organization type affects workers’ success and strategy.

**Bridging Informal Workers’ Movements with Formal Labor and Other Social Movements**

A particularly significant characteristic of informal workers’ movements has been the innovative ways in which they have established bridges between labor movements and other identity-based social movements. In this regard, they differ from formal workers’ movement of the twentieth century, which tended to exclude informal workers and lacked partnerships with other social movements. Part of this tendency toward bridging among informal workers is due to necessity—in many countries informal workers have no legal ability to organize into registered unions and must therefore partner with other existing movements. But part of this tendency can also be attributed to strategy. As noted above, informal workers organize marginalized populations who were often excluded from traditional labor movements. Addressing their needs through social movements has sometimes proven to be more fruitful than addressing them through labor movements, especially in the current antilabor era.

In several countries, informal workers have joined hands with immigrant and indigenous rights movements, such as in the United States, Canada, South Africa, and Mexico.23 One interesting example is the U.S.-based domestic workers’ Caring Across Generations campaign, which links improving pay and working conditions for domestic workers with immigration reform, proposing the creation of special visas for home care workers to meet the growing demand...
for home care work. This campaign not only bridges efforts between informal workers and immigrant movements, it also includes the Service Employees International Union (SEIU); the American Federation of State, County and Municipal Employees (AFSCME); and the American Federation of Labor and Congress of Industrial Organizations (AFL–CIO). Among street vendors in the United States, VAMOS is directly engaged in the immigrant rights movement on behalf of its largely undocumented membership and participates in marches and protests with that movement. Several campaigns in the United States have also been initiated to help new immigrant workers in construction. In New York, New Jersey, and Texas, these campaigns have been initiated through partnerships between unions and worker centers, including the establishment of new union locales with worker center representation in the leadership. In a similar vein, Mexican street vendors from Mexico City’s Alameda Central have combined street vending rights with indigenous rights and preservation of the cultural tradition of selling in public space. In South Africa, faith-based organizations have been assisting immigrants with various services, including job referrals and legal advice.

Faith-based organizations have also been a locus of partnerships in their own right, as have youth movements. U.S. campaigns aiming to increase publicity on sweatshop conditions in the garment industry have appealed with moderate success to religious leaders. Similarly, in South Africa faith-based associations in churches and mosques have achieved the greatest success in attracting support among subcontracted and home-based garment workers. South Korea, the United States, and China also reflect interesting examples of informal workers partnering with student groups.²⁴

In contrast to the above cases, informal workers in India and Brazil do not appear to be using bridges with social movements as a primary strategy.²⁵ Rather, informal workers in these countries appear to be turning more toward a social movement unionism model, where the union expands its own demands to include civic and community needs of citizenship rather than partnering with another movement that addresses civic but not labor needs. Given this trend, one important area for future research will be to identify when and why informal workers choose to build—or avoid—a bridge or partnership with other social movements.

Informal workers are working simultaneously with several loci of power. In some cases, informal workers are appealing to their economic power in the marketplace. In India and the United States, many informal workers are appealing to the state and political power as citizens. Finally, in the United States and
South Korea, there are increasing trends toward an appeal to symbolic and moral power. The impact of these differing forms of power deserves further attention.26

In sum, workers of the Global South, whether they are operating in the Global South or as migrants to the Global North, are struggling to remake the working class to include previously excluded groups, such as women and migrants, previously omitted occupational categories of work, and previously marginalized employment relations. In the process, contemporary workers are redefining the nature, composition, strategies, and relations of labor struggles.

Notes


2. For a more developed discussion of this history, see: Rina Agarwala, Informal Labor, Formal Politics, and Dignified Discontent in India (Cambridge: Cambridge University Press, 2013).

3. Youth unemployment in these regions remains high.

4. Although there was a brief increase in 2008, Latin America had a quick recovery.


6. Ibid.


11. The data in this article draws from country-based inventories written by the United States (Janice Fine and Ruth Milkman), South Africa (Sarah Matsoewa), South Korea (Jennifer Chun), Canada (Jennifer Chun, Mark Thomas, and Leah F. Vosko), China (Pun Ngai), Brazil (Carlos Salas and Lucas Kerr), Mexico (Enrique de la Garza and team), and India (Rina Agarwala). Chris Tilly has also been instrumental in leading and coordinating research to date.


13. For more, see: Agarwala, Informal Labor.

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16. Ibid.


18. Ngai and Xin, “China’s informal labor and labor organizing.”

19. Ibid., 12,18.


