

# Global Action Against Precarious Work

*Taking global action against precarious work is the focus of the IMF Central Committee debate in November, 2007. To prepare for the debate, affiliates are being encouraged to consider the issue of precarious work and, where possible, develop regional positions and inputs on taking action against precarious work in advance of the meeting.*

**P**recarious work is typically non-permanent, temporary, casual, insecure and contingent. Workers in these jobs are often not covered by labour law and social security protections. Precarious work is caused by employment practices designed to maximize employer profits and flexibility and to shift risks onto workers. In highly-industrialised countries full-time jobs are being replaced by precarious jobs, while in developing countries precarious work has always been the norm.

Employment practices often associated with precarious work include the following:

- Direct hire on temporary labour contracts,
- Hiring in labour via employment agencies or labour brokers,
- Contracting out functions to other companies,
- Personal labour contracts as bogus 'self-employed' workers,
- Abusive probationary periods,
- Disguised employment training contracts,
- On call / daily hire,
- Illegal or involuntary part-time work, and
- Homeworking.

Precarious work is an increasing problem on every continent, undermining wages and conditions of work and threatening to divide working people. It flourishes wherever there is a labour surplus and workers are driven to accept work at any cost – conditions that exist in many, if not most, parts of the world today.



**Is this person precariously employed?**  
Dongpil KIM (right) is a member of the Korean Metal Workers' Union and has been working at Hyundai Motors for three years as an outsourced worker inside the factory. Including allowances, his wages amount to only about 60 per cent of a regular Hyundai Motors worker. Hyundai workers and irregular workers usually wear the same-looking uniform but the logo is different.

PHOTO: KMWU

# SPOTLIGHT

## GLOBAL ACTION AGAINST PRECARIOUS WORK



### Are these workers precariously employed?

These workers are employed by Pinuspel, a supplier company to DaimlerChrysler, in São Bernardo do Campo. They are outsourced workers who are located within the plant removing waste from the assembly line. They earn less money and have lower working conditions than equivalent employees of DC. PHOTO: CNM/CUT

## ILO RECOMMENDATION ON EMPLOYMENT RELATIONSHIP

The International Labour Organisation (ILO) conference in June 2006 adopted Recommendation R198 proposing that governments formulate and adopt national policies that establish the existence of an employment relationship, distinguishing between employed and self-employed workers and combating disguised employment relationships.

The question of whether an employment relationship exists is important as most legal systems link workers' rights and access to social benefits to the existence of such a relationship. A copy of the ILO Recommendation can be found at this link: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R198>

The rapid increase in precarious work is being driven both by corporations and governments. Across the world, national labour laws are being amended to better enable employers to create yet more precarious jobs at the expense of stable employment. In 2006, the Australian government introduced new labour laws that immediately plunged millions of workers into precarious employment by taking away their right to protection from unfair dismissal. The laws also encourage contract and temporary work.

Now the European Union has launched a consultation paper promoting 'flexicurity', the idea that employment growth is stimulated when employment protections such as unfair dismissal laws are reduced and casual employment is increased. UK affiliate Amicus has responded by pointing out the negative impact that Britain's weak labour laws have had on manufacturing jobs. General Secretary Derek Simpson says that, "well paid secure jobs can only be protected by stronger employment laws than we currently have in the UK."

# SPOTLIGHT

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### Is this person precariously employed?

Shirley Matuludi, aged 24, was employed as a temporary operator stamping dates on door locks at an auto components factory in South Africa for four months. She earned R16.85 (US\$2.30) per hour, R1 less than permanent workers doing the same job. The employer paid Shirley's unemployment insurance but not into her industry retirement fund.

PHOTO: William Matlada/Numsa

### Precarious work and women

Precarious work has a disproportionate impact on women workers. Women are overrepresented in precarious work throughout the world. Access to full-time permanent jobs for women has always been low and is reducing further.

For example:

- In Australia one in three women workers are non-permanent, paid 21 per cent less than permanent workers and have no access to holiday leave, sick leave or public holidays;
- In Canada 40 per cent of women's jobs are considered non-standard, or precarious, employment; and

## DISCUSSION POINTS

The following questions are to stimulate debate in your union on the issue of precarious work.

- What forms does precarious work take in your country/region?
- How does precarious work differ in nature from permanent employment in terms of rights, protections and entitlements?
- How does precarious work impact on women workers?
- How does the content or enforcement of labour laws contribute to the problem of precarious work?
- How can the ILO Recommendation on the Employment Relationship be used at a national level to improve rights for precarious workers?
- How does precarious work impact on workplace health and safety?
- What is the impact of precarious work on sustainable development?
- What impact, if any, does precarious work have on your union's capacity to bargain collectively with employers?
- How can the impact of precarious work be reduced through collective bargaining?
- What legal or practical barriers exist to organising precarious workers?
- What actions has your union taken to organise or otherwise improve conditions for precarious workers?
- How can unions build solidarity between permanent and precarious workers?
- What role can other actors play in addressing precarious work, such as the International Labour Organisation, non-governmental organisations, national trade union centres, International Trade Union Confederation, national governments, courts?



### Are these workers precariously employed?

Only five per cent of the workers at the Kiryung Electronics factory (pictured above) are permanent employees. Thirteen per cent are employed on contracts of typically six months or a year in length and 82 per cent are dispatch workers. A contract worker earns 73 per cent and a dispatch worker only 53 per cent of a regular workers' salary. All the permanent workers are men while nearly all the precarious workers are women.

PHOTO: KMWU

- In Japan about 30 per cent of metal workers are atypical or contract workers and women form a high proportion of such workers.

Increasingly precarious employment compounds existing gender discrimination. Working time insecurity creates enormous difficulties for women with child care responsibilities. For some women, secure part-time work with predictable hours may be the most desirable employment option, yet most part-time work is temporary and the availability of permanent part-time work is decreasing.

Precarious work makes a large contribution to the pay gap between men and women. In Japan, women part-time workers earn a mere 54.3 per cent of the hourly wage of regular women workers, a gap which has widened in the last decade. In Korea, 69 per cent of women workers are precariously employed, known as irregular workers. In 2005, irregular women workers in Korea earned 43 per cent of the salaries of the regular male workers.

Not only are women in precarious employment paid less than their male, full-time counterparts, the majority of such women are not covered by collective agreements that could be used to address pay inequalities. The nature of their employment also excludes them from the reach of equal pay legislation designed to reduce the gender pay gap.

The additional unequal burden that is placed on women in respect of childcare, household work and other caring responsibilities mean that their children, families and

communities also suffer the consequences of their precarious work. This is further compounded by governments reducing social services such as childcare and health care, which provide support principally to women in their caring roles.

In a number of countries trade unions have been fighting against the trend of precarious work. International solidarity can and should play a role in trade union strategies to tackle the issue.

*IMF affiliates are encouraged to come forward with proposals for action against precarious work for consideration at the IMF Central Committee 2007. These proposals should reach the IMF Secretariat no later than 21 September 2007.*

## EXPORT PROCESSING ZONES

EPZs make a significant contribution to women's overrepresentation in precarious work. Women dominate the EPZ workforce throughout the world and are preferred by employers as they are perceived to be compliant and willing to accept lower working conditions. Precarious work is just about the only type of employment available in EPZs where an up to 90 per cent of the female workforce is employed on temporary contracts. EPZs operate either beyond the reach of labour legislation or the legislation is not enforced. Unions are virtually non-existent in EPZs.