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## **CASUAL EMPLOYMENT AND THE GLOBALIZED MARKET- A CASE OF SOME SELECTED COUNTRIES**

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### **Abstract**

*One of the key features of industrial restructuring in the current globalized market is the increasing polarization in employment conditions and a growing differentiation in the workforce. One method employed by firms in their attempt to stay competitive through increased flexibility in the production process, is the “casualization” of employment. This includes part-time workers, seasonal workers, home workers and subcontracted workers. Globalization is often equated with growing integration of national economies. In the sphere of economics, globalization is reflected in the increasing acceptance of free markets and private enterprise as the principal mechanism of promoting economic activities. Labour restructuring can take different forms in different countries. One prominent aspect in the last two decades has been a process of casual employment, in the sense of an increase in the proportion of employees classified as “casual”. This study therefore examines casual employment and its effect in the globalized market, with particular reference to some selected countries. This study was guided by neo-liberal theory.*

**Key words: Casual employment, Globalized market, Casual labour, Flexibility, Casual workers**

### **Introduction**

Casual employment grew significantly over the last decade, accounting for 10 percent of net employment growth in the United States during the 1990s (Wandera, 2011). Evidences from case studies and business surveys suggest dramatic growth in the outsourcing of functions to contract companies as well (Houseman, 2001). Elements such as the technologies used in the productive process, the specialization of the workforce and niches of development are just examples of the diversity of aspects that have been in constant change so far. Casual employment is part of the phenomenon of short-time employment, often seen as a consequence of a major push by governments and employers in industrialized countries to develop more flexible labour markets and to reduce labour costs (Golden and Appelbaum, 1992).

## **Problems**

The era of globalisation has given rise to profound changes in the way labour is utilised, specifically in terms of employment patterns as well as the related issues of earnings, job security, unionization and so on. In effect, the way the worker is used by the firms in the industry is determined solely by the dictates of capitalism, that is, the profit motive. Thus, neo-liberal globalisation, contrary to the often-benevolent impacts attributed to it, has brought about structural changes in the economy and alters consumer preferences, lifestyles and demands of citizens, as well as changes in the working pattern of workers.

Kallerberg, Reskin, and Hundson (2000) assert that the term “casual employment” relationship implies the existence of a “permanent employment” relationship. Thus, to understand the concept of casual employment relations, it will be more appropriate to understand the concept of permanent employment relationship. The permanent employment relationship is full-time, continuous employment where the employee works on his employer’s premises or under the employer's supervision. The central aspects of this relationship include an employment contract of indefinite duration and standardized working hours/weeks, with sufficient social benefits. Benefits like pensions, unemployment, and extensive medical coverage protect the permanent employee from unacceptable practices and working conditions.

Casual employment relationship, sometimes called precarious work, on the other hand, is used to describe jobs that are poorly paid, insecure, unprotected, and cannot support a household. Kalleberg (2000) note that, as casual jobs pay poorly, lack health insurance and pension benefits, are of uncertain duration, and lack the protection that trade unions and labour laws afford, they are problematic for workers. In recent decades, there has been a dramatic increase in casual jobs owing to such factors as: massive unemployment, globalization, the shift from the manufacturing sector to the service sector and the spread of information technology. As more technology is introduced into the workplace, the unskilled workers become more disadvantaged and vulnerable (Campbell and Brosnan 1999).

However, technological impact cannot totally or adequately explain the existence of this situation, especially in less developed countries, where the level of technological development and adoption is low relative to the more developed world. Based on this assertion, this paper is, therefore, directed towards improving existing knowledge about casual employment and its effects in the globalized market with particular reference to some selected countries.

## **Brief review of literature**

### **Casual employment in Australia**

Casual jobs are Australia's fastest-growing form of employment, with Australia now having the second largest casual workforce in the world, after Spain. This has triggered considerable debate as to whether government intervention should be used to improve job security for the growing number of casual workers (Munn, 2004). The number of casual employees has increased steadily over the past 15 years, from 18.9% of all wage and salary earners in 2008 to 27.6% in 2011. Recent years have seen a slowing in the growth of casual employment. Between 1993 and 1998, the number of casual positions increased by 35.6%. However in 2003, the number of casual positions has only increased by 15.1 % (Munn, 2004).

In 1998, 69.9% of the net jobs created were casual positions; whereas over the last 5 years, only 33.8% of net jobs created have been casual positions. This is a significant slow in the rate of growth of casual positions (Munn, 2004). Most casual workers are part-time, with casual workers currently representing 13.8% of all full-time employees and 60.4% of all part-time employees. Significant percentages (35.0%) of casual employees are aged between 15 and 24. This is to be expected as this age group is typically studying and not looking for a long-term commitment in the labour market (Munn, 2004).

### **Casual employment in Canada**

Casual employment affects many workers in Canada. For example, a 1998 study on wages and working conditions in child care centres across Canada showed that almost one-third of the staff worked under some kind of casual labour. This was true even though 91 percent of teaching staff worked over 30 hours each week. One-fifth of these workers took on an extra job. Eight percent do so because they need a larger income to live. Most do not receive benefits. On average, child care teachers and assistant teachers work 4.6 hours of unpaid overtime each week. Nationally, the turnover rate among child care workers was 22 percent in 1988. Ninety-eight percent were women (Shalla, 2003). In New Brunswick, casual workers are not allowed to join a union. Many public sector workers, including hospital workers, jail guards, school personnel, work without employee status, contract rights or the right to unionize (Jurriaan, 2003). .

In Canada, three different definitions of casual employment have been used, each pivoting on permanency. These definitions include only people employed on a temporary basis. The first definition includes all wage and salary workers who do not expect their job to last. The

second definition narrows the focus to employment of very limited duration by including only those wage and salary workers who expect to work in their current job for one year or less and who have worked for their current employer for less than one year. The third definition broadens the second by including self-employed workers who expect to be, or have been, in their current employment situation for one year or less (Krahn, 1995).

More frightening, however, is the fact that the decline in the average weekly hours for workers is more likely a reflection of the increasing number of workers employed part-time for economic reasons (“economic reasons” means that part-time employment is not a result of personal preference, temporary illness, holiday work, and so on.). The current number of workers employed part-time for economic reasons is hovering around 9 million the highest since the BLS first started recording this data in 1955 (Farr, 2009).

Casual employment occurs whenever workers are employed in a casual, temporary, or otherwise non-permanent and non-full-time capacity in Canada. In recent years, casual employment has become an increasingly visible problem, and those workers affected are often subject to lower pay, barred from their right to join a union, and denied medical and other benefits. Companies will often hire several part-time workers to avoid their obligation to provide benefits, to divide the work force and to dissuade unionizing efforts. These trends are present in Canada labour market. Another form of casual employment is the growing of contracted and subcontracted workers (Farr, 2009).

### **Casual employment in the construction industry in the United States**

An essential feature of the U.S. construction industry is the operation by unions of hiring halls, a job-referral system through which union members are matched with job vacancies at union contractors in the order of their registration date. Open-shop associations have no tradition of hiring halls, but instead operate referral systems through which lay off workers are allocated to contractors in need of personnel.

However, these referral systems are not widely in place. Therefore, much recruitment remains informal and depends on networks of contractors and workers. Workers are recruited through newspaper advertisements, the public employment services, casual work agencies and vocational schools. Because non-union contractors depend on this patchy system for new skilled workers they have a significant incentive to retain regular employees. The need of non-union contractors to secure a pool of skilled workers co-exists with the self claimed flexibility these firms are compared to union contractors (Northrup, 1984). Part of this flexibility is rooted in the

supposedly quick adjustments non-union contractors can make to changes in the demand for personnel. On average, casual agency workers in the U.S. construction industry earn forty percent less than their colleagues who are employed by a contractor (Bureau of Labour Statistics, 2001).

The average wage rate for casual agency workers is affected by the large share of low-pay, low-skill jobs in total casual agency employment in the industry. For instance, nearly one in every five casual agency workers in the construction industry is a labourer, which ranks among the lowest paid construction jobs. Wages may be further pressed downward because casual agency workers are typically working at non-union job-sites. Generally, non-union jobs tend to pay less than union workplaces (Schwenk 1996; Foster 2000). Day labour is increasingly being institutionalized as community-based organizations respond to the dire situation of many of these workers and for-profit intermediaries see a market niche (Ruckelshaus and Goldstein 2002). There is a fine line between the for-profit day labour intermediaries and the casual work agencies operating in the construction industry, although they are sometimes counted as both working “on-call” and as a contract firm employee (Polivka 1996).

In some community-based day labour programmes (such as the San Francisco programme) workers can set their own wages, earning anywhere between \$11 and \$18 an hour, and have access to health care. Casual work agencies that specialize in low-skill labour on a day-to-day basis do not consider themselves as being involved in day labour, but see their work as offering “staffing solutions”. A manager of a staffing agency in San Jose explained how workers on a thirty-day project are considered to be working thirty separate days and getting paid after each day they have worked (Van Velzen, 2005).

### **Casual employment in Britain**

The terms “casual labour” was coined by a government enquiry into dock labour practices in Britain in 1920, where casual labour was becoming the norm for unskilled workers. It was in the fight against those conditions that the first great unions of unskilled workers were built, including the British dock workers in the early 20th century (Broad, 1995). The re-launch of an apparently rudderless administration turned out to be a return to the neoliberal certainties of Blairism, just at the point when the failure of global financial market was cutting the ground from beneath them. So, perhaps, it hardly comes as a shock to discover that Brown’s government was trying to derail an attempt by Labour MPs to win equal rights for the 1.4 million agency and

casual workers, whose growing exploitation goes to the heart of the casualization and security of Britain's labour force (Milne, 2008).

Across the country, workers are increasingly being signed up by employment agencies to take the place of directly employed staff, on worse pay and conditions. From basic wages and overtime to sickness benefits, holidays, maternity rights and pensions. In parts of London and the east coast, the midlands and north-west, trade unions report an epidemic of under-cutting agency employment (Hall, 2002). In food processing, call centres, hotels and social care, including in the public sector, agency labour is being used to create a two-tier work force (Cheadle, 2006).

Spain is not an exception to this general trend, although, as it has occurred in other countries, not all forms of atypical employment have experienced a similar evolution, which basically depends on specific national circumstances (institutional, legal or economic factors, among others). According to the Encuesta de Poblacion Activa (the Spanish Labour Force Survey) (EPA), since 1987 to 2001 (cited in Gonzalez-Rendon, 2004) workers under casual contracts experienced a 148 percent increase in contrast to an approximate 34 percent increase in total employment.

Similarly, salaried or waged casual work, both under casual and open-ended contracts, grew about 195 percent during the same period (Matusik and Hill, 1998; Kochan, 1994). The preponderance of casual employment over other forms of flexible work, makes Spain a unique and interesting case for the analysis of the consequences of this type of employment in the labour market, as shown by the growing number of studies focused on this country in recent years (Ruiz and Claes, 1996; Alba, 1998; Amuedo, 2000; Sánchez and Toharia, 2000; Ferreiro and Serrano, 2001; Dolado, García and Jimeno, 2002). The most frequent reason cited is the need for a more flexible workforce by employers derived from the changes that occurred in the business environment since the beginning of the eighties (Gonzalez-Rendon, 2004).

Therefore, both the growth of the service sector and the dualistic employment structures found in an increasing number of firms are at the basis of the growth of casual employment in most developed countries, as it has been the case in Spain. However, as mentioned above, these reasons do not directly explain the overwhelming use of casual labour over other forms of nonstandard work in Spain. At the beginning of the 1980s, Spain had one of the most rigid labour legislations in Europe, basically characterized by: (a) the existence of stringent limits on the use of overtime, (b) excessively high lay-off payments on both fair and unfair dismissals, (c) the prohibition on the use of casual help agencies, (d) restrictions on the hiring of casual workers

and (e) finally, limits to the functional and geographical mobility of workers (Gonzalez-Rendon, 2004).

In addition, the high pressures exercised by unions, especially during the first half of the eighties, created wage rigidity through the reduction of the variable components of remuneration. Certainly, these conditions were not the most adequate for Spanish firms to face the deep changes in the business environment that occurred in those years, nor to reduce the high unemployment figures.

### **Casual employment in Spain**

After casual employment, as a percentage of the total salaried workforce, reached in Spain a maximum in 1995, there were continuous calls for the adoption of immediate measures to increase employment security (Gonzalez-Rendon, 2004). As a response to these demands, two legal reforms were passed in order to achieve this objective: one in 1997, which was agreed upon by the social partners and the government; and the other in 2001, undertaken unilaterally by the government. These reforms were basically characterized by the introduction of restrictions to the use of fixed-term contracts and by the creation of a new permanent labour contract with lower dismissal costs.

However, despite these new legal provisions, the percentage of casual employment decreased only marginally, still remaining at a high level, nearly 32 percent in 2002. The high proportion of casual workers in Spain has raised great concern among policy makers, the social agents and labour market researchers, about the social and economic consequences of this type of employment. The debate generated in Spain is similar to that which occurred in other countries derived from the increase in casual forms of employment. Consistent with the Segmented Labour Market (SLM) literature, casual workers, who can be situated in the secondary segment of the labour market (De Grip, Hoevenberg and Willens, 1997), are thought to receive lower salaries, have worse career prospects and suffer worse working conditions than permanent employees.

Different empirical analyses based on Spanish data support these ideas, as it is the case of the study by Sanchez and Toharia (2000), who found how the introduction of casual employment in Spain had an impact on wage formation reducing the real wage cost. Dolado (2002) also mentions the unexpected negative consequences derived from the increase in casual employment in Spain such as lower investment in human capital and higher wage pressure. This negative view of casual employment is the reason why it is often considered as a form of precarious

employment. However, as it is stated in the literature, in certain cases, casual jobs, as other forms of nonstandard work, might entail opportunities for those workers who do not want to be linked permanently to a single organization. In Spain, this cannot be considered a valid argument as the majority of casual employment is involuntary, suggesting that there is a great mismatch between employer and employee preferences for casual contracts.

One of the problems around the debate on labour flexibility is that, traditionally, discussion around this subject has tended to rely more on perceptions rather than systematic analysis (Booth, 2002). To solve this problem, empirical research has recently been conducted to test for the assumption that casual employees are worse off than “regular” or “standard” workers. With respect to casual employment, there is sufficient empirical evidence from different countries that support the idea that workers under fixed-term contracts, receive, *ceteris paribus*, lower salaries than permanent employees (Bentolila, 1994; Booth, 2002), are less motivated and satisfied (Purcell, 1999) and receive less training (Booth, 2002).

Some researchers have also tried to analyze the link between casual employment and the risk of a work accident, although empirical findings are in this case more mixed (Rousseau and Libuser, 1997; Amuedo-Dorantes, 2002). The polarization of the Spanish labour market between permanent and casual employees, together with the adverse consequences mentioned above, might produce income inequality as well as other social negative impacts derived from the lack of job security, all of which is a matter of much political concern. However, these negative effects are lessened if casual employment is not a dead end where workers are trapped indefinitely, but rather a transitory situation that would sooner or later lead to a permanent position.

### **Casual employment in the Netherlands**

In many industrialized countries, labour markets have grown to be increasingly flexible. This flexibility has become manifest in, among other things, a substantial use of casual workers, (OECD 1993; OECD 1996). Companies have turned to this external numerical flexibility to respond to fluctuating demand for products and services. Almost at the same time, employers, unions and governments championed employability through lifelong, job-related learning.

At first sight, employment in the construction industry appears to be casual by nature: a worker is employed for the duration of a construction project, and laid off as soon as the work is completed. The industry is characterized by short-term seasonal cycles as well as by long-term conjuncture-related fluctuations. Another characteristic of the industry is that, whether a project



is carried out in residential, commercial or heavy construction, almost every building project involves multiple crafts (Van Velzen, 2005).

The nature of the industry thus requires an organization of the work process that is flexible to meet the variability in the demand and is able to cope with the variety in the demand for construction work. The first suggests the existence of a numerically flexible organization involving a “floating labour force, that is not tied to the fortune of any specific employer” (Colean and Newcomb 1952). The second calls for functional flexibility, requiring a range of different construction specializations. Building firms could hire a large number of tradesmen with different specialized skills during peak times and fire them when demand for construction work drops.

This, however, would not be efficient. Instead, construction firms try to reduce transaction costs involved in hiring and firing by subcontracting the majority of the work (Eccles, 1981). By subcontracting to specialized firms, construction companies secure numerical and functional flexibility. Subcontractors provide a flexible pool of workers to the main contractor, who is commonly known as the “general contractor”. Depending on the characteristics of the construction project, a general contractor uses subcontractors that specialize in the trades and skills required for the project.

With the introduction of prefabricated building material and concrete pouring during the second half of the twentieth century came a heightened specialization in the division of labour. Consequently, large construction projects have been broken down into smaller projects requiring relatively narrow skill-sets, prompting a growth in the use of casual workers. This has created room for labour market intermediaries, such as casual work agencies, to provide labour for very short spells, aimed at the completion of narrowly defined tasks. Most worksite personnel, especially bricklayers and carpenters are permanently employed with a construction firm (Kok, 2001).

The ban had its origins in the widespread abuse by intermediaries, contractors and subcontractors of market-mediated staffing arrangements in order to evade payment of social insurance contributions during the 1960s. During the ban, trade unions and employers’ associations continued to jointly explore the possibilities to reinstate casual agency work. They agreed that a complete ban on placement agencies in the building trades would distort the efficient operation of the labour market (Van Velzen, 2005).

After a one-year transition period, during which casual agency work in the construction industry was reintroduced on an experimental basis, the ban was lifted in 1998. In the experimental year 1997, 65 percent of all casual agency workers was new to the trades, 35 percent of the casuals was journeyman, as reported by the Dutch Economic Institute for the Building industry (EIB, 2001). In all other cases, a casual agency worker is only covered by those sections of the construction industry's collective agreement that deal with wages and worker compensation. In sum: casual agency workers in the construction industry receive equal pay for equal work.

### **Casual employment in Finland**

Ever since the 1980s, the proportion of casual employment has steadily increased in Finland. In 1985, the proportion was only 10 %; by 1998, almost every fifth employee (18 %) was working on a temporary basis (Saloniemi, 2004). This trend in casual employment is in accordance with the general development in European Union countries. However, within the European Union context, the incidence of casual employment in Finland is high-only Spain has utilized casual employment more massively (33% in 1998) (Booth et al., 2002).

In itself, the rate of casual employment is only the tip of the iceberg: behind the numbers there are huge structural, economic and even legal differences which make comparisons difficult. Even the basic nature of casual employment varies essentially between countries. For example, until recently, agency contracts have been marginal in Finland, whereas, in Spain, 16 % of all temporary contracts are managed by agencies (Garzia-Perez and Munoz-Bullon, 2001). With good reason, the effects of Employment Protection Legislation (EPL) have also merited attention when differences in casual employment rates have been a focus: in the UK, for example, the rate has remained relatively low (7% in 1998). This does not, however, indicate stability and security in labour markets but a low level of EPL in general. Correspondingly, EPL has frequently been cited as a reason for the high rate of casual employment in Spain (Gonzales-Rendon, 2004).

In contrast, rigid EPL cannot explain the high casual employment rate in Finland, where comparisons between OECD countries show Finland to be between the most strictly and least strictly regulated countries (Kosonen and Vanska, 2004). The general need for flexibility is hardly a satisfactory explanation for the causes of the growth of casual employment. Previous analyses have provided and tested diverse explanations for this growth, ranging from changes in legislation to changes in the supply and in demand of employees. Reflecting on the situation in

the USA, Golden and Appelbaum (1992) stress the demand factor as the main cause behind the rise of casual employment.

According to them, it is simply “intensified competition in product markets, volatility in product demand, and the decline in the relative bargaining power of labour that have led firms to take advantage of short-run labour cost savings”. The recession in Finland in the early 1990s profoundly reshaped both labour markets and the whole of Finnish society (Aho and Lehtonen 2002). The employment crisis in Finland was even deeper than that in neighbouring Sweden.

In other words, the wish among Finnish employers to keep their personnel highly flexible by hiring staff only for short periods has also become an essential reason for the extensive use of casual employment (Kosonen and Vanska 2004). Studies have identified some common and widespread features characterizing casual employment. Young age, female gender, low occupational status, belonging to ethnic minorities, a low level of education and a fragmentary work history tend to increase the probability of casual employment (Hipple, 1998; Bielenski and Ebenhard 1999; Kalleberg, 2000, Zeytinoglu and Muteshi, 2000a; Campbell and Burgess 2001).

The features above reflect the general features of labour market segmentation (Brosnan 1996; Hudson 2001). In many ways, the basic characteristics of temporary employees in Finland are consistent with the mainstream in industrialized Western economies. In the Finnish context, however, there are some aspects that merit special attention: employees with a level of education above that of a basic level have a higher probability of casual employment. This is almost contrary to the majority of studies which stress the connection between low education and casual employment.

### **Casual employment in India**

Unemployment weakens the bargaining position of the workers and enables employers to hire workers on terms and conditions of work they dictate. Some of the emerging flexible labours categories are casual and temporary workers, consultants, agency workers, home workers, daily workers and part-time workers. It was found that, as a whole, over the seven years of liberalization (between 1991 and 1998) dualism in the labour market increased.

The share of permanent manual workers declined from close to 68 percent in 1991 to 64 percent in 1998 (Jenkins, 2004). Not only did the share of casual workers increased even faster, but also the big firms resort to the greater use of casual workers. Holding all other factors constant, firms employing 50-99 workers and those employing 500 or more workers increased the share of casual workers significantly between 1991 and 1998 (Shenoy, 2005).

Casual employment did not show an association with size of employment. Women workers were mostly employed in large firms. Firms employing 1000 workers or more accounted for more than 75 percent of all women workers.

Firms, which employ a higher share of casual workers, also employ a higher share of women. Firms employing 50-99 workers and 500 over report an increase in the share of female workers (Farr, 2009).

From the above, one should not hasten to conclude that there is no rigidity in the Indian labour market. Irrespective of its impact on employment, a degree of excessive or unwarranted protection to labour may lead to inflexibility in labour adjustment required for restructuring of enterprises in the interest of competitive efficiency. In the wake of liberalization, this problem has been brought into the centre stage and there has been frequent demand by the industry and foreign investors to have some kind of “exit” policy the right of hiring and firing (Shenoy, 2005).

### **Casual employment in Southern Africa**

The United Republic of Tanzania allows employers to hire workers on casual and on longer terms (monthly, weekly and fortnightly). Employers favour casual arrangement contracts of employment to avoid employment costs. However, the social security legislation and the Employment Ordinance discourage casualization of employment relations. Under the Employment Ordinance a casual employee is defined as an employee whose wage is paid at the end of every day. And a casual employee who works for an aggregate of 280 days in a given year will be entitled to all the benefits enjoyed by other contractual employees upon termination of his/her contract.

Casual employment in Lesotho manifests itself in a number of forms and practices pertaining to acceptable conditions of employment which run contrary to internationally recognized standards regarding protection of workers’ rights both individually and collectively at the workplace. Several factors may be blamed for the prevalence of casual labour despite labour law’s provisions intended to curb the incidence. Another contributory factor is HIV and AIDS pandemic which causes spouses (especially household bread winners) to die forcing the remaining family members to look for work and take any job at whatever cost in order to survive, thus contributing to the prevalence of triangular employment relationship.

Casual work in the Mozambican context encompasses a type of employment, whether related by written or verbal contract, in which the employment relationship is not durable but is for a defined period of work (Bodibe, 2006). Ordinarily, the contract is used to accomplish

defined tasks for a defined period. The main signifier of casual work is the duration of the employment relationship and the type of tasks to be performed.

Thus, casual work can be defined as work for a fixed duration and defined tasks to be performed. The concept should be understood in its wider context. For example, employment of worker to load and offload ships has no lasting scope of service, yet legislation allows a work contract to last a maximum period of 2 years, subject to one renewal. Implicitly, an employment contract can last for 4 years, even though work is not performed on a continuous basis.

This means that the duration of a casual contract can be for a short or long duration. Thus, it is possible to find casual employment whose tasks last for days, months, or even long periods of up to two years. In the extreme, a casual contract can last up to an interpolated period 15-20 years. In those days, the extent of casual employment was very low because fixed permanent employment was protected by law. A substantial number of workers lost their jobs owing to economic liberalization and privatization of state assets. Economic stagnation and obsolete equipment fuelled retrenchment as companies sought to curb or contain labour cost. It was also during this time that casualization was intensified in the economy (Bodibe, 2006). When there is increased demand, accordingly employment also increases during these peak periods. The informal sector also has a large degree of casual employment. People making a living in the informal sector are those who have lost employment (Cheadle, 2006).

They are “employed” as employees of counter huts, bars, driver, collectors and other tasks. Private sector employment is low as a proportion of total employment-around. The downside of casual employment is the both the worker and the employer are reluctant to invest in skill formation, which negatively affects productivity of the workforce. The construction industry has experienced a boom since 2001, realizing substantial increases in both output and employment (Bodibe, 2006).

In just five years casual employment replaced full-time employment in construction, increasing by 93%. Casual employment now constitutes the bulk of employment in construction at 62% of total employment. This means that the sharp increase in employment in construction is driven by exponential growth of casual employment. Workers in construction are given a raw deal as a result of the poor conditions of employment. A vast majority of workers in the sector do not have written contracts; paid leave and medical aid benefits. This, in part, is explained by the drop in union density, which decreased from 22% to 14%. As a result, workers are at the mercy

of the employers and the precarious and unstable nature of the job intensifies workers' vulnerability and susceptibility to employer power (Bramble and Barchiesi, 2003).

Government has time and again voiced out its concerns over the many foreign-owned factories and companies employing their Zambian workers on casual basis. As the trend takes root in the Zambian labour sector, some labour movement leaders blamed the government and accused it of abetting casualization. It is acknowledged that, ending casualization in itself is not easy and needs the concerted efforts of all stakeholders (Lifuna, 2005).

### **Casual employment in Nigeria**

Unemployment and underemployment are the main features of the Nigeria labour market with weak economy unable to absorb all those willing to be engaged productively (Adebayo, 1999; Damachi, 2001; Onyeonoru, 2008; Okafor, 2011). Unemployment is measured among the people in the labour force (National Bureau of Statistics, 2010). The labour force of a country is defined by the National Bureau of Statistics (NBS) (2009) as a set of people or citizens of a country who are willing and are able to make available at any given point in time their efforts for gainful employment. In Nigeria, accurate unemployment rates are difficult to access (Okafor, 2012).

However, according to Oyebade (2003), Nigeria's unemployment can be grouped into two: the older unemployed, who lost their jobs through retrenchment, redundancy, or bankruptcy and the younger unemployed, most of who have never been employed. According to National Bureau of Statistics (2009:238; 2010:2), the national unemployment rates for Nigeria between 2000 and 2009 showed that the number of unemployed persons was 31.1% in 2000; 13.6% in 2001; 12.6% in 2002; 14.8% in 2003; 13.4% in 2004; 11.9% in 2005; 13.7% in 2006; 14.6% in 2007; 14.9% in 2008 and 19.7% in 2009 (cited in Okafor, 2012).

Specifically as regards the age group, educational group and sex, data provided by National Bureau of Statistics (2010:3) further showed that, as at March 2009, in Nigeria, for persons between ages 15 and 24 years, 41.6% were unemployed. For persons between 25 and 44 years, 17% were unemployed. Also, those with primary education, 14.8% were unemployed and for those with only secondary education, 23.8% were unemployed.

Furthermore, for those with post-secondary education, 21.3% were unemployed. For those who never attended school and those with below primary education, 21.0% and 22.3% were unemployed, respectively. As regards sex, data showed that males constituted 17.0%, while females constituted 23.3%. This precarious situation in the Nigerian labour has given rise to

increase in the casual employment relations in many work establishments in Nigeria, as most of the unemployed, especially the youth, make desperate efforts to survive.

In Nigeria, the problem of casual employment is very common in many establishments, whether in indigenous, transnational or multi-national firms, either public or private industry, including telecommunications sector, oil and gas sector, power sector, banking sector (both old and new generation banks), education sector, and so on (Okougbo, 2004; Onyeonuru, 2004; Okafor, 2007; Idowu, 2010; Aduba, 2012). Since 2000, trade unions in Nigeria led by the Nigeria Labour Congress (NLC) have continued to oppose casual employment relations against the employers disregard for the dignity, integrity and rights of workers which are protected by the nations labour laws, constitution and International Labour Organization's (ILO's) conventions.

In Nigeria, casual workers are in major industries; where firms have workers to the tune of two thousand, about one thousand five hundred may be casual workers. In the local industry in the informal sector virtually all the employees are casual staff (Okougbo, 2004). The casual workers have either professional or administrative skills. In the oil and gas industry, for example, many casual workers are graduates or skilled technicians, experienced drivers with long years of service, clerical and auxiliary staff with administrative skills and so on. They spend long years on a particular job and remain in employment for five, ten or more years. Yet they are referred to and treated as casual workers. In manufacturing companies owned by Asians, casual workers are locked up like prisoners in their factories so that no external person can gain access to them (Okafor, 2010).

The absence of a factory inspector does not help issues. Some oil and gas companies, especially those owned by indigenous entrepreneurs; in spite of the fact that their casual staffs are qualified to be made permanent staff, are made to remain casual workers on a slave wage. Manufacturing companies owned by Nigerians are no exemptions either. They adopt the philosophy of hire and fire and exhibit crude management style unimaginable in personnel administration. All these are with a view on maximizing super normal profits at the barest minimum labour cost (Okafor, 2010).

### **Theoretical framework**

Conceptually, labour market segmentation theory argues that political and economic forces encourage the division of the labour market into separate submarkets, or segments, distinguished by different labour market characteristics and behavioural rules. Segmented labour

markets are thus the outcome of a segmentation process (Reich, Gordon and Edward, 1973). Segments may cut horizontally across the occupational hierarchy as well as vertically.

The present labour market conditions can most usefully be understood as the outcome of two segmentation processes-primary and secondary segments. The primary and secondary segments are differentiated mainly by stability characteristics. In primary segment, jobs require and develop stable working habits, skills are often acquired on the job, wages are relatively high, and job ladders exist; while, in the secondary segment, jobs do not require and often discourage stable working habits; wages are low, turnover is high, and job ladders are few (Reich, Gordon and Edward, 1973). Moreover, primary jobs are rationed, that is, not all workers who are qualified for primary sector jobs and desire one can obtain one. Also, the sector of the labour market in which an individual is employed directly influences his or her tastes, behaviour patterns and cognitive abilities (Gordon, 1998).

### **Conclusion**

Casual workers have always been and will continue to be an essential and accepted component of the workforce. It will always be necessary to replace temporary or short-term employee absences resulting from illness, as well as vacation, maternity or other types of leave. Workers who may be called in to substitute for part-time or full-time employees, therefore, have a vital and continuing role to play in the foreign. On one hand, the hiring of casual workers ensures uninterrupted provision of important and even essential services to the citizens.

Despite the fact that there has been considerable growth in casual employment in foreign firms across the globe, the growing body of research remains largely limited to employees (typically referred to as permanent employees) hired with an expectation, on the part of both employer and employee, of relatively long-term employment. Very little research links progressive human resource management practices and systems to the management of workers hired on casual basis who may not share their more permanent counterparts' expectations of relatively longer-term employment. It is pertinent to note that treating a certain category of workers as casuals is a violation of the Universal Declaration of Human Rights. In general, the pervasiveness of this situation is a reflection of the growing global capital encroachment of the world economy and a manifestation of the general crisis in the global labour market.



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