Debate

Contradictions and Crisis in the World of Work: Informality, Precarity and the Pandemic

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ABSTRACT

The severe economic impact of the COVID-19 pandemic on the global working population can be interpreted as both a fallout from, and a violent assertion of, a larger crisis in the world of work. While this crisis has been attributed to the pre-existing conditions of widespread informality and precarity in the domain of remunerative work, the authors of this article dig deeper to read these conditions and the crisis tendencies as articulations of certain key contradictions that define the world of work in the present conjuncture of global capitalism. The article highlights three specific contradictions: that between capital and labour in the ‘interior’ space of capital; that between capital and its ‘outside’; and those emerging from ‘dispersion’ of the circuit of capital to its ‘outside’. The ‘outside’ is the economic space that exists within the capitalist social formation but represents the domain of unwaged work carried out in the processes of non-capitalist production and distribution, both within and outside the space of the household. The authors argue that the expanded reproduction of capital has sharpened this triad of contradictions in the present conjuncture in specific ways in the global South and the global North through continuous informalization of work, exclusion of masses of population from the ‘interior’ domain of capital, and insistent dispersion of the circuit of capital to its ‘outside’ through various forms of ‘non-standard’ labour processes and work arrangements. The article provides some illustrations of how these processes have registered and contributed to the crisis situation in the times of the pandemic.

PANDEMIC, CRISIS AND CONDITIONS OF INFORMALITY

The expression ‘crisis’ is often used in popular discourse and scholarly imaginations to describe the impact of the COVID-19 pandemic on the
established order of work relations and labour arrangements. One reason for this is that the pandemic has engendered arrestive economic distress with massive loss of jobs and severe endangerment of livelihoods, accompanied by a sharp rise in conditions of informality and precarity (ILO, 2020; IMF, UN, 2021). These facts have been empirically well documented in the existing literature. The focus of the present work is not on providing further evidence in terms of quantitative analysis or case studies to assess the impact of the pandemic on the world of work. We contend that the current moment, well into the third year of the pandemic, calls for the development of a broader theoretical framework to grasp the nature of the crisis in the world of work. This might be vital for informing future research on the pandemic and, in general, for analysing situations of crisis in contemporary capitalism. Our work is an attempt in this direction. We look at the conditions of informality and processes of informalization that have been made inescapably conspicuous by the pandemic, and make our specific intervention by reading them as intense articulations of certain complex contradictions that define the present conjuncture of global capitalism. We reflect on the nature of these contradictions and think about the processes through which they have emerged and accumulated, ultimately registering in the ‘COVID moment’ as signifiers of crisis.

Empirical studies that focus on the role of informality in the economic distress wrought by the pandemic suggest two intertwining ideas. First, informal work relations have significantly shaped the crisis experiences of global working populations in the COVID moment. The losses in employment and earnings have been particularly pronounced for informal workers as they enjoy neither contractual rights nor non-wage benefits through their jobs. Given the absence of institutional buffers and social protections in the poorer countries, this has translated into widespread hunger and higher incidences of indebtedness, with the odds of recovering from poverty remaining very low (Abraham et al., CCSA, CSE, Hill 2021).

1. Over the period 2019–21, the world economy registered a sharp contraction, with about 255 million full-time jobs lost in 2020; until the third quarter of 2021, there were 137 million fewer jobs relative to pre-pandemic levels (IMF, 2021). Extreme global poverty increased by almost 10 per cent between 2019 and 2021, and a major contributing factor behind this was the deprivation and destitution that the working poor in the global informal economy experienced in the period (UN, 2021). Of the 2 billion workers engaged in informal work at the onset of the pandemic (accounting for 61.2 per cent of the world’s employed population), an estimated 59 per cent fell into poverty during the first month of the COVID-19 crisis, more than doubling the number of informal workers who lived below the poverty line pre-pandemic (ILO, 2020).

2. The informal economy, statistically speaking, comprises: (a) owners and unpaid family workers working in informal household (own-account) enterprises involved in petty commodity production (referred to as informal, non-capitalist enterprises); (b) owners of small and micro informal enterprises employing wage labour, but also often performing labour themselves alongside wage workers; and (c) informal wage workers, i.e., those without formal or regular job contracts, in both formal and informal (‘micro’) capitalist enterprises.
et al., 2021; ILO, 2021; IMF, 2021; Jain et al., 2020; Kesar et al., 2021; UN, 2021; UNCTAD, 2020). Second, conditions of informality may have become more entrenched due to the pandemic. A vast majority of global workers who lost jobs during the pandemic and were displaced from formal and informal wage employment have moved towards unwaged informal work arrangements, mostly in the form of self-employment, for economic survival (Banerjee and Bhattacharya, 2021; ILO, 2021, 2022a). The pandemic may also have furthered certain trends of informalization of formal wage employment structures that have been unfolding over the past decades, with an acceleration in the processes of casualization in work arrangements (CSE, 2021; ILO, 2022a). Initial evidence suggests that the number of temporary workers as a proportion of the total global working population has increased sharply since the pandemic, as has the proportion of gig workers working in the platform economy (ILO, 2021, 2022a). New forms of flexibilization regarding where and how work is performed have come about with the rise in remote and hybrid work in sectors where work is technologically mediated.3

At one level, these dynamics are unsurprising, given the wide prevalence of informality and precarity even during pre-COVID times (Balde et al., 2020; Chen and Carré, 2020; Kesar et al., 2021; Stevano et al., 2021). While most economies in the global South have long seen a high persistence of informality, these features have also been on the rise in the economies of the global North. Furthermore, across the world, there has been a sharp increase in casualization and informalization of labour even in the formal sector which had traditionally been a site for secure employment relations. In these conditions, any major shock to the economic landscape can be expected to bring about large-scale instabilities that lead to an accentuation of the pre-existing conditions of economic vulnerability afflicting vast sections of populations under global capitalism.

We concur with the position that an examination of the COVID crisis in the world of work should recognize the central role played by the widespread conditions of informality. However, if we dig deeper and ask what this tells us about the capitalist social formation and possibilities of crisis in it, we need to interrogate the very idea of informality. This investigation brings into focus an ensemble of contradictions that are often underplayed or

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3. A survey of 11 countries across the world shows that the likelihood of job loss due to the pandemic for informal wage workers has been three times higher than for formal employees and 1.6 times higher than for the self-employed. These dynamics, it is argued, have led to a shift towards self-employment in the COVID moment (ILO, 2021). An estimated additional 23 million workers across the world have now entered the informal economy, and are operating their own petty enterprises, or are engaged independently in a profession or trade, without hiring any employees (ILO, 2022a). In Latin America, for example, ‘between 60 and 80 per cent of the jobs recovered until the third quarter of 2021 had been in conditions of informality’ (ILO, 2022b). In sub-Saharan Africa and Eurasia similar patterns are being observed (Bamu et al., 2022).
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overlooked in critical analyses. These contradictions have shaped and interacted with different social processes to accentuate conditions of informality that have generated the crisis situation in the world of work. We develop this conceptual argument in the following sections.

Our reading is in light of the critical scholarship that has understood capitalist social formation as an unstable, crisis-ridden order that nests within itself various conflicting tendencies — contradictions, antagonisms, frictions — which push and pull it in multiple directions at any given moment. The contradictions manifest at various levels of society — economic, political and cultural — and they constitute and influence each other in correspondingly multiple ways. In other words, the contradictions exist in a state of mutual constitutivity or overdetermination (Resnick and Wolff, 1987, 2006). The specific ensemble of contradictions may, however, differ in different socially constructed spaces, such as the global North and the global South. Also, the contradictions at various social levels may emerge and build up at different tempos and rhythms, and thus may exhibit ‘different histories’ (Hall et al., 1978: 219).

A crisis for the capitalist social order materializes when the overdetermined contradictions accumulate, get condensed and merge together (Callari and Ruccio, 1996; Hall, 2011). Many uncertainties appear in this moment, and new possibilities for changes in the existing social arrangements open up. But whether or how the changes would actually transpire cannot be foretold in advance. Crises appear as ‘historical acts of assertion’ that can only be ‘determined après coup (after the fact)’ (Negri, 1996: 62, parenthesis in original). Without contingent conditions — especially, political movements and ideological formation — a state of crisis may linger on without resolution, with conditions of sufferings, insecurities and vulnerabilities festering a social formation (Fraser, 2021; Hall, 2011; Sotiris, 2014). In such a state of ‘interregnum’, when ‘the old is dying and the new cannot be born’, writes Gramsci, ‘a great variety of morbid symptoms appear’ (Gramsci, 1971: 276) in the social order.

Influenced by this theorization, we present in this essay a certain understanding of the crisis in the world of work registering in the COVID moment. We posit that the widespread conditions of informality, precarity and casualization that currently mark the lives of global working populations are related, in specific and partial ways, to a particular set of overdetermined contradictions, and are indicators (and reflections) of a larger crisis of contemporary capitalism. We identify these contradictions as: (a) that between capital and labour in the ‘interior’ space of capital; (b) that between the domain of capital and its ‘outside’; and (c) that emerging from dispersion of the circuit of capital to its ‘outside’. The ‘outside’ is the space of ‘extra-capitalist pattern of social and economic existence under capitalism’ (Shanin, 1986: n.p.), and is the domain of unwaged work carried out within the household or in the processes of non-capitalist commodity production and distribution. This space subsists exterior to the domain of capital (albeit
within the capitalist social formation), but side-by-side with it, in a relationship of mutual constitutivity. While the contradiction between capital and wage labour is well recognized in the literature, we foreground the overdetermined contradiction between capital and its ‘outside’ that is not made visible in the standard literature on the COVID crisis or even in works linking the crisis to the informal economy.

We proceed as follows. We begin by presenting our key conceptual arguments by theoretically unpacking the overdetermined contradictions between capital and its ‘outside’, and relate how these contradictions shape the conditions of informality. Next, we elucidate our argument by reading the conditions of informality in the global North and the global South in the present conjuncture of global capitalism in light of these contradictions and their negotiations. Finally, we provide some illustrations on how these processes have registered and contributed to the crisis situation in the times of the pandemic.

CONTRADICTIONS IN THE WORLD OF WORK

Capitalism as an economic formation consists of both the internal sphere of capital, comprising the capitalist appropriative class process (i.e., the process of production and appropriation of surplus value), as well as the ‘outside’ or exterior of capital, encompassing myriad non-capitalist economic processes (Resnick and Wolff, 1987, 2006; Sanyal, 2007). The capitalist process of self-expansion of value through commodity production is based on exploitation of wage labour. The non-capitalist processes of production include both commodity and non-commodity production under processes that are marked by an absence of capital–wage labour relations; the former include production processes involving self-exploitation of labour, as in petty commodity production (PCP), while the latter include non-market unwaged care work performed within the household for social reproduction.

The non-capitalist processes may be subsumed under and incorporated in various ways within the circuit of capital, or may be afunctional to the process of capitalist accumulation. These capitalist and non-capitalist economic processes exist in a relation of mutual constitutivity and contradiction to form the economic totality under capitalism, where the conditions of

4. The circuit of capitalist commodity production can be depicted as: M–C–C’–M’, where M’ > M. A capitalist needs the initial M to purchase commodities (C), including labour power, raw materials and means of production. In the production process, a productive consumption of the commodities leads to production of new commodities that are of higher values (C’). These commodities are then sold in the market for an amount M’ that is higher than the initial M. In the production process, the exploitation of labour power produces surplus (S), which manifests as a difference between M’ and M. This surplus, appropriated by the capitalist, is used to secure the conditions of existence of the capitalist enterprise for its reproduction and possible expansion through accumulation.
existence for the capitalist class process dominate (Resnick and Wolff, 1987, 2006; Sanyal, 2007). The capitalist social formation is, thus, intrinsically fractured and heterogeneous. It is fundamentally structured by the contradictions between capital and labour within its ‘interior’ sphere, as well as the contradictions between capital and its ‘outside’. Capital seeks to reproduce its conditions of existence within this field of antagonisms by managing these contradictions through coercions and negotiations, and by actively constructing ideologies and cultural practices that normalize the existing conditions. The contradictions and their overdeterminations take distinctive forms at different moments in the historical trajectory of capitalism and steer capital’s long arc over time.

These contradictions and their negotiations work in conjunction to shape the world of work, often through intensification of conditions of informality in specific ways in the global North and global South, which have been reinforced in the context of COVID-19. Concretely, the set of contradictions identified earlier — that between capital and labour within the ‘interior’ sphere of capital, between capital and its ‘outside’, and those emanating from dispersion of capital to its ‘outside’ — manifest through the following analytically distinct processes. The first is a process of inclusion within the ‘internal’ sphere of capital, but under conditions of increasing precarity and distress via informalization of wage work; the second is a process of exclusion, leading to a reproduction of non-capitalist informal economic spaces (such as PCP) ‘outside’ the sphere of capital; and the third is a process of dispersion of the circuit of capital to its ‘outside’ through distinct forms of market-based relations, such as subcontracting, gig work, platform economy, etc. Informalization of wage work is a global phenomenon in the current juncture of capitalism, while the processes of exclusion are more prominent and permanent in the global South. The processes of dispersion also have distinct inflections for global North and South. While the phenomenon of informalization is emphasized and elaborated in much of the literature, the mechanisms of the latter two processes remain under-examined.

In the following, we theoretically unpack the contradictions between capital and its ‘outside’ and explicate how they are reflected in the world of work and contribute to generating the crisis-ridden moment. We first elaborate on the process of exclusion by drawing from a critical strand of literature on post-colonial capitalism, and then consider the mechanism of dispersion of capital by engaging with the Marxist-feminist scholarship on the process of capitalist social reproduction. In doing so, we highlight the salience of unwaged work and household, and the antagonisms and contradictions that overlay, shape and structure their relations with the process of capital accumulation and expanded reproduction. The household, here, is an analytical category denoting an economic space ‘outside’ the immediate sphere of capital where unwaged work is performed, within or outside the domain of market. In the later sections of this article, we will illustrate how these
contradictions have manifested in the post-1970s conjuncture and have registered in specific ways during the COVID moment.

Contradictions between the Domain of Capital and its ‘Outside’

A recent strand of scholarship on post-colonial capitalism, following the intervention by Kalyan Sanyal (2007), has foregrounded an intrinsic contradiction between the domains of capital and non-capital, both implicated within the commodity economy (Bhattacharya and Kesar, 2020; Chakrabarti, 2016; Chatterjee, 2011; Sanyal and Bhattacharya, 2009). This literature characterizes the process of capitalist growth and expanded reproduction in the post-colonies as inherently exclusionary in nature by highlighting that the thrust of capitalist accumulation continually subverts the domain of PCP and dispossesses petty producers and traders, without fully absorbing them within the capitalist segment as wage workers. Much of this dispossessed population is rendered redundant — or surplus — for capitalist accumulation, and is excluded from the ‘internal’ sphere of capital. In other words, the process of primitive accumulation, which dispossesses pre-capitalist producers and is expected to transform them into wage labour in the expanding capitalist segment, remains incomplete; rather than being the pre-history of capitalism that initiates ‘capital relations’ (Marx, 1867/1977), it continues as an ever-ongoing process. The surplus population, then, is forced to reproduce its conditions of livelihood in the non-capitalist segments of the informal economy mostly through unwaged work of petty production and exchange, thereby continually reproducing an ‘outside’ of capital within the heart of post-colonial capitalism. The non-capitalist segment, instead of being a pre-capitalist remnant, is, therefore, an outfall of the internal logic of capitalist accumulation and expanded reproduction itself.

The non-capitalist sites have an independent economic logic of existence derived from the consumption needs of this surplus population. They are organized mainly along the logic of provisioning, of sustaining and reproducing basic livelihood conditions of the excluded population. Their persistence is not premised on satisfying the requirements or ‘needs’ of capital and is

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5. Tania Li, in a similar vein but in a separate strand of literature, articulates the notion of surplus population thus: ‘The problem is a population that is surplus relative to the needs of capital, exceeding even the functions assigned to a labour reserve (disciplining workers and depressing wages through competition for jobs, or the supply of cheap goods and services). Put crudely, if some portion of the relative surplus population died tomorrow, the rate of profit would remain the same’ (Li, 2017: 1251). Earlier, José Nun, Anibal Quijano and others posited a similar problematic of surplus population through their notion of ‘marginal mass/pole’ in the context of Latin America: ‘[The] marginal mass thesis was meant to question a leftist hyperfunctionalism, wherein even the last landless peasant in Latin America (or Africa) was considered to be functional to the reproduction of capitalist exploitation’ (Nun, 2000: 12).
largely afunctional to the process of capital accumulation.\textsuperscript{6} In contrast, the domain of capital is marked by the logic of self-expansion and accumulation that relentlessly threatens and encroaches upon the non-capitalist spaces (Bhaduri, 2017; Sanyal, 2007). The vast non-capitalist ‘outside’, therefore, perpetually remains in an antagonistic relation of contradiction with the domain of capital and its expanded reproduction, while being continuously refigured and reconstituted.

Vast segments of the informal economy in the global South can be classified as such a non-capitalist ‘outside’, comprising mainly family-based household enterprises engaged in petty production, trade and services. These household enterprises, where economic activities are mainly organized through self-exploitation and through unwaged work of family members, are marked by an absence of capital–wage labour relations. The enterprises are often not integrated into the circuit of capitalist production — or subsumed under the accumulation logic of capitalist enterprises — via subcontracting linkages, gig work, platform economy, etc. (Bhattacharya and Kesar, 2020; Li, 2010). The dynamics of these enterprises are embedded in the economic logic of the household, without any strict separation between the production or exchange space of the enterprise and the consumption space of the household running the enterprise.\textsuperscript{7} As a result, the requirements for economic survival of the household may trump the

\textsuperscript{6} While wage labour in the capitalist space is also performed by the worker to satisfy their consumption needs, its existence in the ‘interior’ domain of capitalist production makes it fully functional to the capitalist class process. Some other influential interventions also view primitive accumulation as an ongoing process within capitalism, thereby moving away from the narrative of full-fledged capitalist transition. However, they mostly posit the ‘outside’ as being functional to some ‘need’ of capital and existing essentially to satisfy those needs. For example, Harvey (2003) argues that the ‘outside’ serves as an outlet for productive and profitable investment of over-accumulated capital through the process of ‘accumulation by dispossession’, thereby helping to resolve the inherent tendency towards a crisis of over-accumulation under capitalism. Patnaik (2009), on the other hand, argues that the ‘outside’ provides access to cheap resources, wage goods and labour power for capital. Capital also encroaches upon this space to deflate incomes and compress demands for vast segments of population in order to control supply prices of commodities to maintain a stable regime of accumulation (ibid.). Thus, in these strands of scholarship, the intrinsic rationale of existence of the non-capitalist space is fully subsumed under the logic of capitalist accumulation and is entirely ‘functional’ to economic needs of capital.

\textsuperscript{7} The informal economy, as a whole, comprises both household enterprises and relatively larger informal establishments employing wage workers. The operational dynamics of both these sets of enterprises are influenced by the specific occupation of the enterprise owner and the industry to which the enterprise belongs. The occupational structure, in turn, is correlated with socio-economic identities such as caste, gender, etc. However, the larger informal establishments may predominantly operate within the framework of an independent economic logic of the enterprise (driven by considerations of accumulation, expansion, profit maximization, etc.) that is separate from the economic dynamics of the household, whereas the economic logic of operation of the household enterprises engaged in PCP is often subsumed within the household dynamics. To characterize the non-capitalist space, we specifically refer to such household enterprises. They usually comprise the vast majority of
enterprise dynamics, and the enterprises may continue to operate even if they are unable to produce and retain a net positive surplus, as long as they generate enough to sustain the consumption needs of the household. The economic reproduction of the non-capitalist household enterprises may be sustained even by compressing consumption levels in the absence of alternative livelihood opportunities (Kesar and Bhattacharya, 2020), especially during times of economic crisis. These dynamics allow the enterprises to act as a sink for the surplus population, as evinced by the expansion of non-capitalist self-employment globally and the worsening situation of the informal working population observed during the COVID-19 pandemic.

If the vast surplus population, excluded from the space of capitalist wage work, is unable to reproduce its livelihood conditions and means of economic survival in the non-capitalist economic sphere, the hegemonic norms of capitalist development are undermined, leading to political instability, upheavals and crisis, and jeopardizing the process of capitalist accumulation. The non-capitalist economic spaces thus provide a political condition of existence for the domain of capital by absorbing and sustaining the surplus populations (Chatterjee, 2011; Sanyal, 2007). In this sense, ‘capital and its outside mutually constitute each other, that is literally bring each other into existence’ (Sanyal and Bhattacharya, 2009: 37), while being ‘perpetually locked in a relation of contradiction’ (Sanyal, 2007: 39). The very success of this process of capitalist accumulation tends to continually destabilize the reproduction of the non-capitalist spaces and, in turn, capitalist accumulation itself, thereby contributing to generating conditions of systemic crises.

Significant spaces of non-capitalist production and distribution exist even in the economies of the global North (Gibson-Graham et al., 2000; Portes et al., 1989), particularly various forms of self-employment, although these spaces do not necessarily represent an outfall of the process of exclusion that is characteristic of the post-colonial economies of the global South. We will later explore the persistence of these spaces in the current conjuncture and their relation to the impact of the crises in the COVID moment.

**Contradictions Related to Dispersion of the Circuit of Capital to the ‘Outside’**

The contradictory relation between capital and its ‘outside’ manifests in yet other ways. ‘Capital relations’ may disperse beyond the ‘interior’ of capital and subvert and reconfigure the non-capitalist production processes without formally internalizing them and transforming them along the lines of direct capital–wage labour relations. Under such circumstances, the informal non-capitalist household enterprises, while retaining their form, do not remain strictly ‘outside’ the domain of capital or separated from the circuit of capitalist wage work.
of capitalist production. Much of the literature on informal economy misses the complexity of these processes as an expression of the contradictions between the internal sphere of capital and its ‘outside’. To make this visible, we find it useful to draw from certain strands of Marxian scholarship on the process of capitalist social reproduction and the relation between the site of the household and that of capital, and employ it in our specific context.

Arguing against a ‘critical separation’ between the sphere of capitalist production organized within the realm of market and that of social reproduction in the realm of household, a lineage of Marxist-feminist scholarship sees the former as dependent on the latter for its own reproduction (Bhat-
tacharya, 2017). The household is linked to the sphere of capitalist production in important ways, but also remains separated from it, with its distinct dynamics, structure and mode of operation. It provides a necessary eco-
nomic condition of existence for capital by performing the unwaged work required for biological and social (re)production of workers and their labour power, and thereby subsidizes the process of capitalist production by allowing market wages to be kept below the actual value of labour power. However, the continuous drive for capitalist accumulation increasingly directs resources away from the sphere of social reproduction through persistent downward pressure on wages, increased precarity and spread of low-waged informal jobs, reduction in spending on social welfare and care activities, and by drawing women, who traditionally perform household care activities, into relations of wage labour (Bhattacharya, 2017; Fraser, 2017). In other words, capital tends to ‘free ride’ on non-commodified resources, non-
market functions and unwaged work that exist outside capital’s direct ambit, but it continually erodes and depletes the sites that provide these conditions. This extractive relationship thus destabilizes the very processes of social reproduction that capital relies on, thereby undermining its own conditions of stable reproduction and deepening the antagonisms that may engender a systemic crisis (Fraser, 2017). These theoretical interventions highlight that at the very core of the capitalist social formation lies a fundamental contra-
diction between the market sphere of capitalist production and the sphere of social reproduction.

The above theorization of capital’s relation with the non-market sphere of the household in terms of a process of ‘separation-cum-dependence-cum-
disavowal’ (Fraser, 2017: 24) provides a productive formulation to under-
stand the dispersion of the circuit of capital to informal household enter-
prises even within the domain of market, and to highlight a specific dimen-
sion of the ‘inside’/‘outside’ contradiction. Take, for example, the case of subcontracted household enterprises in the informal economy that are linked to capitalist enterprises via subcontracting relations. These household enter-
prises are, of course, implicated within the commodity economy and market relations, unlike households that are seen through the lens of social repro-
duction. But production and labour processes carried out by them remain strictly ‘separated’ from the ‘interior’ of capital. Given the overlap between
the consumption space of the household and the production space of the household enterprise, production is carried out through unwaged labour of family members using the physical site of the household and, often, other non-commodified household resources (including tools and equipment) that keep the cost of production low (Bhattacharya and Kesar, 2020). Subcontracting parts of (or entire) production processes to such informal household enterprises allows capital to access these household production sites, unwaged labour and other non-commodified resources to lower costs and increase profitability. This partly explains how the conditions of reproduction and persistence of a segment of the informal economy are generated through a dispersion of the circuit of capital. The increasing ‘dependence’ of capitalist firms on subcontracting relations over the past few decades has brought a considerable section of household enterprises within the circuit of capital through a labyrinth of inter-linkages across various nodes of value chains. But, at the same time, these enterprises are not fully incorporated within the internal sphere of capitalist production and labour process — or are ‘disavowed’ by capital — precisely because their usefulness for capital is fulfilled if they remain in the form of household spaces with their specific dynamics. In this process, the household enterprises, which mostly depend on subcontracting relations to gain market access, might lose their entire autonomy over production and labour processes, with the household workers being transformed into ‘disguised’ wage labour for capital while remaining spatially separated from the subcontracting capitalist firm, as in the ‘putting-out’ system. Alternatively, they might be able to maintain some autonomy, but a large part of surplus may be extracted from them by the subcontracting firms for providing their conditions of existence (Bhattacharya and Kesar, 2020).

The fast-expanding domains of gig work and the platform economy exhibit, in many ways, a similar dynamic between capital and its ‘outside’, particularly taking the form of ‘disguised’ wage labour akin to that observed in ‘put-out’ subcontracted firms. In these domains, individuals may own their means of labour and be connected to their work through relatively advanced technologies, thereby appearing as self-employed, performing unwaged (though remunerative) work. The gig worker is usually projected as a ‘partner’ in the platform economy — an entrepreneur running their own business enterprise as a petty producer, albeit through digital assistance and mediation by an aggregator. They also have better access to the market on account of participating in the digital platform. However, the nature of platform-based work is such that control over production and labour processes and overall decision-making power rest with the digital aggregator, and the gig workers do not have effective control over their labour power and the surplus they produce, given the structural conditions and logic of operation of the platforms (Tsing, 2009; Woodcock and Graham, 2019). Consequently, they are effectively disguised wage workers for the capitalist digital aggregator. Their every labouring activity is subjected to constant
surveillance — often by both the platform aggregator and the customers — aided by advanced technological tools. This form of surveillance makes the gig workers even more vulnerable, particularly given that they usually do not have access to the job security and labour rights of a formal employee.

Capital’s success in extracting increasingly higher amounts of surplus from these ‘outside’ spaces (subcontracted household enterprises, domains of gig work, etc.) entails a basic contradiction that may even work to undermine their conditions of existence and economic reproduction. This may, in turn, potentially impede the stable reproduction of this dynamic between capital and its ‘outside’, particularly given the increasingly high dependence of capital on such forms of extractive economic relations.

**An Ensemble of Contradictions**

Apart from the direct political and economic roles discussed above, the ‘outside’ space of the household also provides a cultural condition of existence for the process of capitalist accumulation, serving as the domain in which specific dispositions towards socialization are instituted in the labouring body in their disciplining refractions. Specific norms of ‘disciplined lives’ are reproduced that are necessary to maintain an orderly and compliant workforce imbued with capitalist work ethic. However, as capitalist accumulation continues to redirect resources away from the household sphere, it may undermine the household’s ability to perform this function, thereby potentially jeopardizing capital’s own process of reproduction (Wolff, 2005). In our context, stable reproduction of the ‘outside’ space of capital requires a cultural process of ‘normalization’ of this space that provides conditions of livelihood for the vast surplus population excluded from the ‘interior’ of capital. This normalization requires valorization of the culture of entrepreneurship and risk-taking that this population is compelled to adopt in order to derive their livelihoods in informal household enterprises, given the precarious and tenuous conditions of their economic reproduction. A success of the process of capitalist accumulation and expanded reproduction, which undermines the space of the household and its economic possibility of reproduction, then, paradoxically, also undermines the cultural condition of stable reproduction of capital.

In summary, the ‘outside’ of capital provides, in analytically distinct ways, critical political, economic and cultural conditions of existence for the capitalist economy. The process of capitalist growth reproduces the ‘outside’ spaces that, along with processes of informalization within the domain of capital, generate and reinforce conditions of informality within the economy. Contradictorily, however, the very success of capitalist accumulation also tends to undermine some of the conditions of existence of the capitalist growth process itself, which contributes to generating conditions of crisis in the world of work.
The theoretical approach laid out in this section provides a productive scaffolding to frame the intensifying conditions of informality, upheavals and crises in the world of work at the present juncture as important expressions of contradictions between capital and its ‘outside’ — a crucial dimension that is often missed in the prevalent critical narratives on informality and crisis in the COVID moment. Along with these ‘inside’/‘outside’ contradictions, the contradiction between capital and labour within the ‘internal’ domain of capital has also contributed to intensifying conditions of precarity and distress through increasing informalization of wage work, as has been widely noted. In the following section, we illustrate how these contradictions have manifested in specific ways in the present conjuncture of global capitalism. The COVID moment appears within this backdrop.

THE PRESENT CONJUNCTURE

In the ‘advanced’ capitalist economic formations in the immediate post-war period, the world of work was largely characterized by the spread and entrenchment of a specific kind of capital–wage labour relation, whereby remunerative work was performed within the ‘internal’ sphere of capital. This particular version of work was projected as the universal standard under ‘modern’ capitalism. For the ‘backward’ economies of the global South, the spread of such ‘standard’ employment relations, however limited, was seen as a sign of capitalist development that would eventually characterize the entire world of work once these economies could successfully traverse the path of development via capitalist transformation. By the dawning of the era of globalized and financialized capitalism in the late 1970s, this image was becoming increasingly blurred. The post-1970s conjuncture has witnessed an intensification of the processes of primitive accumulation and exclusion in the global South, along with a dispersion of capital to its ‘outside’, increased salience of unwaged work, and informalization of production and labour processes across the world (Bhaduri, 2017; Chen and Carré, 2020; Davis, 2006; Harvey, 2003; Li, 2010; Patnaik, 2009; Sanyal, 2007; Tsing, 2009). Under such circumstances, the Fordist work conditions increasingly appear as more of a chimera than a norm.

The proliferation of ‘non-standard’ informal work has given rise to a certain sense of messiness in the analysis of work and labour in contemporary

8. This ‘standard’ of work, for sure, was never a universal archetype. It always represented a very limited part of the world of work, leaving out the informal economic spaces marked by an absence of capital–wage labour relations that were also present in the global North during the Fordist period (Portes et al., 1989), and the unwaged reproductive and affective labour performed within the non-market space of the household across the world. Nevertheless, over this post-war, state-regulated welfarist or developmentalist era (for global North and South, respectively), it was possible to project this partial, circumscribed and spatio-historically specific kind of employment relations as the ‘standard’.
times. This messiness often gets reflected in the arguments asserting either that the complexities in the world of work can all be reduced to contradictions between capital and labour, with the capitalist logic of operation pervading and determining the functioning of all economic spheres; or that the contradiction between capital and wage labour is no longer a key defining feature of capitalist economic formations, thereby undermining and delegitimizing the centrality and agency of labour.9 For us, on the contrary, this ‘messiness’ signals multiple fault lines and sites of contradictions within the ‘internal’ sphere of capital and between capital and its ‘outside’.

**Sharpened Contradictions**

The pervasiveness of the processes of informalization and exclusion reflect the increasing power of capital in shaping the outcomes of its ‘internal’ struggles with labour. Simultaneously, these processes are also aggravating the relations of antagonism in the contradictory dynamics between capital and its ‘outside’. This is making the ‘outside’ space increasingly untenable for economic survival of the surplus population. We briefly cite a couple of specific illustrations to underscore this point.

For example, the growing agrarian distress across the global South has increasingly forced small and marginal peasant households involved in unwaged work in agricultural petty production to attempt to supplement their meagre, and often falling, incomes by seeking self-employment or informal/casual wage employment in non-agricultural sectors. This has given rise to the phenomenon of circular rural–urban or inter-sectoral migration, or that of ‘footloose labour’ (Breman, 2003). In other words, the Lewisian surplus labour (Lewis, 1954) is never fully drawn out and incorporated within the ‘interior’ domain of capital. Often even those who transition towards wage work continue to depend on the space of petty agrarian household production for their economic reproduction. In the process, this space subsidizes the reproduction cost of labour power and also provides the means towards a coping mechanism, as the wage income is supplemented by food produced by the household for self-consumption, as well as by the income generated through petty agricultural production. On the other hand, this has also created new conditions of antagonism. The escalation of large-scale primitive accumulation in the present conjuncture has destabilized the agrarian petty commodity production economy, thereby undermining the conditions of survival of a vast segment of surplus population and informal wage labour that depends on it. This has simultaneously led to heightened tensions between capital and its ‘outside’ as well as increased resistance from

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9. For debates on these competing views, see, for example, the 2014 Forum issue of Development and Change on ‘the labour question’ and the 2020 special issue of Review of Radical Political Economics on ‘precarious and informal work’.
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the ‘excluded’ masses. The successful farmers’ movement in India during 2020–21 against the imposition of new agricultural legislation encouraging corporatization of agriculture — and, therefore, further escalating the process of primitive accumulation — can be understood in light of these antagonisms.

To take another example, in the global North, the stagnation in wages and decline in labour’s income share — an effect of capital’s increasing dominance over labour within its ‘internal’ sphere — have wrecked the possibilities of sustained increase in household consumption over time (Callari, 2010; Resnick and Wolff, 2010; Wolff, 2005). Such increases in consumption, which have been a hallmark of metropolitan capitalism, were achieved through a combination of factors, including increasing productivity of labour and rising rates of exploitation (ibid.), and by imposing income deflation on a vast segment of the global South through relations of imperialism (Patnaik, 2009). While metropolitan capital has been largely successful in augmenting its process of expanded reproduction through globalisation and outsourcing of production to low-wage economies, this has simultaneously exacerbated conditions of precarity. Even as the process of ‘Walmartization’ has opened up the possibility of importing cheap wage goods to maintain the consumption levels of workers with stagnant or declining income, this has not been sufficient to stall or reverse the intensifying conditions of precarity. This has set a new ‘normal’ of lower levels of consumption and lower value of labour power (Callari, 2010), together with increasing dependence on informal wage work, including gig work as well as unwaged work — signifying a dispersion of capital to its ‘outside’ — for economic survival (Woodcock and Graham, 2019). These shifts have also increasingly undermined the household’s ability to effectively play its role in the process of social reproduction, thereby bringing about a general ‘crisis of care’ (Fraser, 2017), or its role in ‘normalizing’ conditions of capital’s hegemony and dominance in the social formation (Wolff, 2005). This has fomented increasing tension in the site of the household and the rest of the social sphere, creating the potential for social instability.

The shifts and changes in the world of work in the global North have important implications. Forms of unwaged work and self-employment, which have always been identifiers for ‘underdeveloped dual economies’ of the global South, are now being normalized in the economies of the North as well. This has led some scholars to characterize advanced capitalist economies such as the United States as emerging ‘dual economies’ (Temin, 2017), in sharp contrast to the imaginaries of the standard theories of economic development. In this sense, there has been a ‘Southernization’ of the work regime in the global North (Mosoetsa et al., 2016; Munck, 2020; Scully, 2016), even to the extent that ‘non-standard’ employment arrangements and informalization of work regimes are often adopted in the increasingly influential discourse on ‘the future of work’ in the global North. While the post-colonial process of planned industrialization during the dirigiste
period was, in part, based on an imaginary of a Northernization of the South, the current conjuncture has ushered in the process of a Southernization of the North. Capitalist reproduction historically required a ‘normalization’ of wage employment or capital–wage labour relations in the world of work, along with a devalorization of other forms of work as anomalous and subordinate to wage employment, through an ‘intricate process by which participation in labour markets is made ordinary’ (Denning, 2010: 83). The present times, however, are marked by an extensive spread of unwaged forms of remunerative work, including those mediated by sophisticated technologies as in the case of platform economies, together with accelerated processes of informalization and casualization of wage labour (ILO, 2016).

Negotiations and Management of Contradictions

It is imperative for capital, for its own stability, to manage these ingrained contradictions in the process of accumulation. With the changes in the world of work described above, management and regulation of the complex contradictions require a revalorization and celebration of informality in the labour process, ‘micro-entrepreneurship’ in the domain of non-capitalist self-employment, and, generally speaking, the culture of entrepreneurship and risk-taking behaviour. For example, the dogged perseverance and reproduction of forms of self-employment in petty production and trade in the global South, which were earlier seen as traits of economic ‘backwardness’, came to be increasingly valorized as signs of micro-entrepreneurial dynamism and tenacity, and a potential path to prosperity for the poor, in much of the influential mainstream development literature since the 1970s and 1980s (De Soto, 1989; Jütting and de Laiglesia, 2009; Maloney, 2004). Thus, in a parody of reversal of fortune, certain traits in the social site of labour in the global South that were once written off as abnormalities or pathologies from a Northern perspective, and which were expected to be ‘treated’ and ‘remedied’ through processes of capitalist development, are now becoming the ‘new normal’ in the social site of labour in the global North and an embedded reality in the global South.

The processes of negotiation and management of contradictions have taken different forms at different conjunctures of global capitalism. In the post-World War II era, the roles played by the welfare states in the global North and the development states in the global South in guiding and regulating the process of capitalist growth and development could be seen, in part, as attempts to manage these contradictions, albeit in different forms. In the post-1970s’ conjuncture of financialized capitalism, however, these regulatory boundaries have been critically subverted, thereby severely undermining the delicate balancing act and calling for new forms of management. Such management requires the maintenance and reconstitution of the spaces of social reproduction and non-capitalist economic sites that
provide livelihoods to the dispossessed population, which often entails, paradoxically, a ‘reverse’ transfer of resources to these sites (Chatterjee, 2011; Sanyal, 2007).

It is in this light that we can make sense of the spread of myriad poverty alleviation schemes and transfer programmes supported and facilitated by governments, international financial institutions, philanthropic initiatives and civil society organizations, together with the rise to prominence of the development industry and the non-governmental sector. Such interventions include attempts towards mainstreaming the idea of basic incomes and conditional cash transfers; provision of limited welfare benefits; government-funded job guarantee schemes at minimal wages; public distribution of food grains or cooked food at subsidized rates to targeted groups; provision of education vouchers or subsidized health insurances; limited microcredit loans with subsidized interest rates to petty producers, traders and small businesses; and so on. Some of these forms of transfers have also become increasingly widespread in the economies in the global North, particularly after the 2008 global financial crisis and during the COVID-19 pandemic (Dwyer et al., 2022; Gentilini et al., 2021). This does not, of course, imply that there is a fundamental global restructuring of capital’s nature, or its relation with the rest of the society through a process of re-embedding it within social relations, or even a return to the old forms of welfare state. Rather, it entails a form of neoliberal governmentality that works to negotiate and manage the sharpening contradictions in the wake of capitalist growth, and to create conditions for maintaining capital’s hegemony by constructing the consent of the excluded (Sanyal, 2007). All these interventions, often wrested from the state through sustained social movements, are strenuously resisted by capital but are also simultaneously aided and normalized by capitalist institutions, highlighting the contradictory process through which the antagonisms are navigated. These governmentalist practices of managing the social contradictions seem to be getting increasingly institutionalized and made ordinary across the world, rather than being seen as one-off requirements to deal with some extraordinary economic shocks.

The coalescence of the contradictions in the world of work can be argued to have contributed to the global economic crisis of 2008 (Hall, 2011; Resnick and Wolff, 2010) that led to a breakdown of the post-1970s ‘neoliberal consensus’ (Grugel and Riggirozzi, 2012; Sandbrook, 2011). This, however, did not lead to a definitive moment of rupture. Rather, it initiated a long period of stasis or an ‘interregnum’ (Streeck, 2016) which continues today — a period when ‘morbid symptoms’ materialize in the social body as ‘metastasizing cancer’ (Fraser, 2021). For example, at the level of politics, new and novel forms of movements and projects are producing new combinations of nationalism, populism and authoritarianism, which are now unsettling the habits of what was considered to be ‘normal’ politics for a long time across the world. Relatedly, the rising precarity and exclusion, and the worsening situation of the household and other non-capitalist spheres
of economic reproduction, have increasingly frayed and strained the ability of the present social formation to secure the economic, political and cultural conditions for its stable reproduction. The crisis of the present moment comes within this continuum. The pandemic has compressed the complex crisis tendencies and condensed them, without pushing the social formation firmly towards any inevitable moment of rupture. The COVID moment can be seen, in this context, to be reflecting some of the ‘morbid symptoms’ brought forth by these contradictions.

THE COVID MOMENT

We now present a few brief illustrations from India and the United States that allow us to see in closer detail how an assemblage of overdetermined contradictions — manifesting in the world of work as processes of informalization, exclusion and dispersion — came together in the COVID moment to galvanize the crisis tendencies in both the global South and North.

In India, most remunerative work is carried out in the domains of unwaged ‘household’ non-capitalist PCP and of informal wage employment, together constituting about 90 per cent of the total workforce (CSE, 2018). Notably, these domains have always been marked by intense flux with constant inflows and outflows of people who are forced to continuously shift from one arrangement to another in search of a livelihood, indicating a lack of stable and sustainable livelihood opportunities through these work arrangements (Kesar, 2020). These involuntary transitions increased sharply during the COVID-19 pandemic. For example, in 2018–19, depending on specific types of occupations and work arrangements (e.g., regular wage labour, casual wage labour, self-employment, etc.), between 20 and 46 per cent of the workforce in the informal economy moved between various work arrangements. In the pandemic year of 2020, the corresponding proportions increased to range between 25 and 65 per cent (CSE, 2021). It may be argued that this increasing flux signifies an intensification of the contradiction within the ‘internal’ sphere of capital with labour, as well as that between capital and its ‘outside’ that we identified earlier. This has manifested as an increased precarity in the traditionally more stable employment relations within the ‘internal’ sphere, along with an increased dependence on the ‘outside’, which, simultaneously, has become even more unsustainable as an economic space for the excluded population. We provide some evidence in support of this argument below.

Within the ‘internal’ sphere, a significant fraction of the salaried workers, with relatively more formal and stable work arrangements, moved to self-employment and to casual wage work after losing their jobs during the COVID-induced economic recession, even as earning possibilities from the latter types of work waned during the pandemic. While, in a usual pre-pandemic year, about 80 per cent of salaried workers in India continued
in the same employment arrangement over the year, in the initial phase of the pandemic in 2020, only 38 per cent of permanent salaried and 28 per cent of temporary salaried workers could hold on to their jobs (Abraham and Basole, 2022). Even by the end of 2021, only 48 per cent of permanent salaried workers could retain or come back to the same kind of employment, with the rest moving to informal work arrangements (mostly men) or leaving the workforce altogether (mostly women) (ibid.).

Along with this, the dependence on unwaged work increased noticeably in this period, with self-employment emerging as a key fall-back option in the event of job loss. About a third of all wage workers in India transitioned to self-employment as a coping strategy during the pandemic (CSE, 2021). The expansion of the domain of self-employment, mostly in PCP, indicates that the non-capitalist ‘outside’ space of unwaged work has become increasingly central as a ‘sink’, or holding ground, of the rejects from the ‘interior’ space of capital at this moment. Far from being a favoured livelihood option, the shift towards self-employment has been mainly driven by distress. This fact is made all the more clear when we find that the livelihood conditions of the self-employed have severely worsened during the pandemic. While, in a usual year, self-employment is a more remunerative livelihood option than informal wage employment, during the pandemic, the wage workers in India who lost jobs and transitioned to self-employment experienced close to a halving of their incomes compared to pre-pandemic levels, and earned a remuneration at a level even lower than the pre-pandemic informal wages (ibid.). Overall, the earnings of the entire pool of self-employed workers declined by about 18 per cent on average (as against 7 per cent for casual wage workers) in a single year — the steepest fall for any work arrangement in India during this period (ibid.). This indicates the increasing stress on the ‘outside’ to continue acting as a ‘sink’ for the excluded population.

These developments have contributed to rising distress among a vast section of the working population. For example, according to some widely reported surveys of informal workers in India, food insecurities remained extremely dire, even months after the initial wave of the pandemic, with many having to cope with high indebtedness in order to sustain themselves (CSE, 2021; Kesar et al., 2021). In the immediate aftermath of the nationwide lockdown in 2020 that was instituted to contain the spread of COVID-19, the average debt for households in the bottom quintile of the income distribution, who are also more likely to be dependent on informal sources of livelihood, went up particularly significantly and stood at 100 per cent of their pre-lockdown income (Totapally et al., 2020). This led to a spurt in distress-driven sales of assets in the following months (CSE, 2021).

The experience of migrant workers during the pandemic in India further illustrates the sharpened contradictions and the implications thereof in terms of rising precarity in wage relations and increasing frailty of the ‘outside’ space. As noted earlier, the large-scale agrarian distress over the past few
decades has led to a significant migration of those engaged in agricultural PCP to informal wage labour arrangements in urban areas, although they continued to partly maintain their relations with the former in order to supplement their wage income. During the lockdown period, one of the most severely impacted sections of the population was these informal migrant workers who were suddenly pushed out of employment and found themselves without alternative sources of income in the cities. A survey of more than 11,000 informal migrant workers conducted during the lockdown found that about 72 per cent of them did not have enough rations to last more than two days (Adhikari et al., 2020). This shock forced the migrant workers across India to undertake a massive reverse migration to rural areas to secure their basic subsistence, often from marginal agricultural land holdings or rural petty production (ibid.).

This reverse migration, however, generated an enormous pressure on the rural PCP that even in ‘normal’ times was inadequate for supporting the economic reproduction of rural households; as a result, there was a stark rise in mass destitution and hunger. The inability to survive on rural PCP, in turn, led to an increased reliance on unskilled informal wage work supported by the publicly funded rural employment guarantee programme (MGNREGA) at very low wages. According to official estimates, there was an increase of about 43 per cent in person-days of work under MGNREGA even in November 2020, several months after the countrywide lockdown in March–April. However, even with this rise, there remained a huge unmet demand for work. Survey findings suggest that only about 55 per cent of rural respondents who demanded work under MGNREGA were able to access it, while 98 per cent of those who were able to access work reported that the number of workdays was insufficient (CSE, 2021).

The urgent need for expansion of such public employment programmes, both in rural and urban areas (ibid.), indicates the increasing inability of the overall economic space to provide a sufficient condition for economic reproduction for the working population. It is also worth noting another vigorous economic intervention by the Indian state during the pandemic: an attempt to expand the provision of credit to micro-enterprises and petty producers and traders. This goes along with the normalization and revalorization of the culture of entrepreneurship and risk-taking behaviour in the context of widespread exclusions from the ‘interior’ of capital. The continual commodification and decommodification of labour for a vast majority of the working population are outcomes of the contradictions between capital and labour in the ‘interior’ space of capital and that between capital and its ‘outside’, and many of the state interventions signal an attempt at an intricate balancing act to manage these contradictions. This further points to the increasing permeability between these spaces, as vast sections of the workforce traverse through the economic landscape to reproduce their livelihood conditions, and highlights the process through which the dynamics of each space shape those of the other in an overdetermined manner.
In the global North, the critical churnings taking place in the world of work over the past several decades also came to a head in the COVID moment. The changing conditions of work in the United States can be studied as one such illustration. In the following, we specifically indicate an increased prominence of non-capitalist household spaces, rising precarity in the realm of wage work, and intensifying strain in the site of disguised wage labour in the gig/platform economy.

The self-employed constitute about 10 per cent of the total adult workforce in the US (Hipple and Hammond, 2016), and this figure has remained relatively constant since the 1970s. Further, they provide employment to an additional 20 per cent of the total workforce as wage workers, implying that about a third of the US working population are associated in some form with household enterprises (BLS, 2019). The category of self-employment in the context of the US consists of both unincorporated and incorporated enterprises, with the vast majority (about two-thirds) being unincorporated. However, most unincorporated enterprises (about 86 per cent) do not employ any workers outside their family members and operate as family-based household enterprises carrying out petty production, trade and services. In other words, a significant proportion of the US workforce has been engaged in unwaged work in enterprises that can be considered as sites of non-capitalist appropriative class processes. Even among the incorporated household enterprises, i.e., the sites of small capitalist micro-entrepreneurial activities, 60 per cent operate without any hired workers (Hipple and Hammond, 2016).

While self-employment has traditionally provided a key pathway for social and economic mobility in the US, the proportion of self-employed in the higher strata of income distribution has declined significantly since the 1970s (Colaiacovo et al., 2022). Also, the nature and composition of enterprises run by the self-employed have undergone significant changes over the past five decades. There have been rapid fluxes for the self-employed workforce, with the rate of entry as well as exit from self-employment rising gradually since the late 1990s (Shane, 2016). This period also saw a sharp and steady decline in the number of unincorporated household enterprises and a shift towards larger incorporated enterprises (Hipple and Hammond, 2016), indicating a polarization within this economic space. In this period of rapid decline in unincorporated household enterprises, there has also been a rise in the number of wage workers employed in the enterprises run by the self-employed (Colaiacovo et al., 2022), suggesting the few micro-entrepreneurial enterprises have been employing higher numbers of wage workers. Studies suggest that this decline in household enterprises in times of rising wage employment was not driven by expectation of higher wage income, but rather by a squeeze in profitability that made the household enterprises unviable (ibid.). This decline in profitability has often been associated with the process of Walmartization and outsourcing (Goetz and Shrestha, 2009).
The COVID-19 pandemic appeared against the background of these conditions. In the two years since the initial wave of COVID-19, three important movements have been taking place in the realm of self-employment. First, in a reversal of the past trend, there has been an upsurge in the number of unincorporated household enterprises, with the total number of such enterprises in October 2021 almost matching the relatively high pre-financial crisis numbers of October 2007. Second, while in the recessionary period that immediately followed the initial waves of the pandemic there was an abrupt decline (of about 14 per cent) in the number of self-employed, by the second quarter of 2021 this number had been restored to the pre-pandemic level of 2019, even as the employment rate of salaried and wage workers lagged behind the corresponding levels. Third, much of this regain in self-employment, however, has been driven by unincorporated household enterprises run without any hired workers. Evidence shows that, between January and October 2021, there was a 56 per cent rise in the number of new unincorporated household enterprises applying for federal tax-identification numbers, but two-thirds of these new entrants are without any hired workers (US Census Bureau, 2022). Furthermore, the number of wage workers in existing enterprises fell by almost 10 per cent in that period (ibid.). In summary, the pandemic seems to have restored the salience of unincorporated family-based (often non-capitalist) household enterprises and the unwaged work performed therein, overturning the pre-pandemic patterns in motion over the past decades.

This decline in wage work is increasingly linked to a larger pattern of job quitting that has been witnessed in the US labour market since 2021 (Kochhar, 2021), a phenomenon that became prominent with the introduction of COVID-19 stimulus payments and increased unemployment benefits. The proportion of workers voluntarily resigning from their paid positions had reached a 20-year high by February 2022, and almost 3 per cent of the entire workforce had moved out of their current employment of their own volition (BLS, 2022). This voluntary and en masse exit has been highest in accommodation and food services, leisure and hospitality, and retail trade (ibid.), which are some of the industries that had seen wage stagnation and worsening working conditions over the decades, with rising precarity in employment arrangements, lower benefits and unstable hours. The quitting rates and the speed of quitting are particularly high for workers at the lower stratum of wage distribution and with casual and temporary work arrangements (Kochhar, 2021). The quitting pattern can be seen in continuum with the K-shaped recovery that the US workforce experienced in 2021. While in 2020 the rate of job loss was highest and most precipitous for low-wage establishments and workers at the lowest stratum of wage distribution, their
subsequent recovery was also seen to be the slowest and the most fragile among all groups (Dalton et al., 2021). While this pattern was observed for all industries, it was most prominent in the industries just mentioned as witnessing the highest quit rates (Clark, 2021). The extant situation of crisis in the world of work within the ‘interior’ domain of capital fed into the pandemic-induced recession, requiring strong intervention by the state to manage the instabilities. The policy measures implemented, however, gave rise to an unforeseen — and unwelcome — outcome for capital as even a modicum of financial support to wage workers made it possible for them to quit work, generating conditions of excess demand in the labour market and some increase in wage rates. These phenomena, though, may not be sustained in the longer term as the monetary support tapers off, along with efforts to contain wages by raising the rate of unemployment (Ruccio, 2022).

The large-scale informalization of labour processes and a dispersion of the circuit of capital over the last three decades have led to a rapid expansion of the gig/platform economy, with many arguing that such non-traditional work designs will emerge as a transformative trend in the world of work. By 2017, an estimated 36 per cent of the US adult working population was engaged in some form of independent work (freelancing, supplemental, temporary, project- or contract-based work) either as their primary source of income or as a secondary source (Upwork, 2017). During the pandemic period, while earnings for the high-skilled independent contractors engaged in professional and business services, information and financial activities in the platform economy increased, they declined or slowed down for the geographically tethered app-based workers engaged in local, service-oriented tasks (e.g., driving, running errands or cleaning houses) (Anderson et al., 2021; Greig and Sullivan, 2021). Moreover, while vast segments of platform workers operated under extremely iniquitous work arrangements even before the pandemic (Dube et al., 2020), the situation worsened in the COVID moment and many left the platform economy. Evidence shows that claims of federal unemployment insurance amongst US platform workers soared in 2020–21 (Greig and Sullivan, 2021). Simultaneously, however, the digital platform economy also served as a fall-back option for many workers during the pandemic. This led to a great flux in this segment, with new entrants joining after having lost their regular job, or having quit voluntarily, and with many incumbent gig workers moving out. These developments indicate an increased strain in this site of disguised wage work.

To sum up, the above developments in the world of work reflect the embedded contradictions in the capitalist economic formation registered, condensed and negotiated in multiple ways in the global North and the South in the COVID moment. Efforts towards managing these contradictions to sustain a stable reproduction of the capitalist social order, however, only served to recreate the antagonisms in new forms, without a clear resolution.
CONCLUSION

The COVID-19 moment has brought to the surface a number of tendencies and movements that have long been developing in the world of work. The deep distress and instability that the global working population experienced in their economic lives during the pandemic can, accordingly, be seen as both an outcome and a violent expression of these larger crisis tendencies that contemporary capitalism fosters. In this article we suggest that one cogent way to make sense of these tendencies is in terms of the overdetermined contradictions accumulating and coalescing in the present conjuncture in the world of work. In our discussions, we identify some of the processes through which these contradictions manifest in distinct ways in the global North and South as: informalization of work and increased precarity of labour in the ‘interior’ domain of capital; sustained processes of exclusion that push vast segments of the working population out of domains of capitalist growth and accumulation into the ‘outside’ sphere of non-capitalist commodity production; and the insistent dispersion of the circuit of capital to its ‘outside’ through ‘non-standard’ work arrangements such as subcontracting, gig and platform work. Capital’s continuous drive for accumulation and expanded reproduction has sharpened these contradictions over time, gradually depleting the bases on which it depends for its sustenance. Thus, the very success of the processes of capitalist growth undermines the conditions that enable these processes to continue, and endogenously create conditions that may generate a systemic crisis. However, such crises situations are forged, or resolved, only in the presence of specific contingent factors. A lack of resolution of the underlying conditions of these crises may result in an extended period of ‘interregnum’. We see the COVID-19 pandemic as a moment in such an interregnum. While capital seeks to reproduce its conditions of existence within this field of antagonisms by managing these contradictions through various processes of negotiations, such processes have become increasingly tenuous, without inaugurating a new structure of governance and a new regime of stable reproduction of the capitalist social order. The widespread and deepening conditions of precarity and deprivation, made visible and accentuated by the pandemic, appear as ‘morbid symptoms’ of a long-drawn interregnum.

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