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Rethinking the Limits of Public Service Labour Casualization in Developing States

Cordelia Belezaire

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Author

Cordelia Belezaire is a CARPIMS scholar from Belize who recently completed her MA in Governance Studies.

Contact: cordeliabelezaire@hotmail.com

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Abstract:

In the last three decades, labour casualization has become synonymous with Public Service reform in many developing countries. Reforms were meant to restructure and streamline public service delivery by establishing a more flexible workforce. Yet, labour casualization brings with it significant uncertainties such as diminished security of tenure, minimal employment protections and no guarantee of long-term employment prospects. The following paper considers the structural impact of casualization on labour relations and the ways in which it influences the effectiveness of public service delivery. It argues that despite popular views about the advantages of labour casualization, it is less than beneficial to public service delivery in the long-run. The levels of precariousness generated by excessive labour casualization are more likely than not to undercut morale and stifle the ability of public service workers to carry out their roles effectively.

Keywords: *Labour casualization, labour market flexibility, new public management, structural labour relations, public service reform, public service delivery*

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Rethinking the Limits of Public Service Labour Casualization in Developing States

Cordelia Belezaire

INTRODUCTION

Labour casualization has proliferated over the past three decades. However, there are relatively few studies on labour casualization in the public service. This is despite numerous scholars and policy makers seeking to define the term and examine its effects (Standing, 2011; Theron, 2014; Campbell and Burgess, 2001; Polivka and Nardone, 1989). The following paper provides an overview of labour casualization as a concept and outlines the key factors identified in the literature that have contributed to its rise and effect on labour markets. It then highlights the link between labour casualization and new public management in the context of public service reform. This allows me to situate labour casualization as part of a wider agenda of structurally adjusted labour relations and consider the implications for public service delivery in developing countries.

Labour Casualization as a Concept

There is a diversity of labour relations around the world. As such, there are many different ways in which the concept of 'labour casualization' is understood and practiced. Generally, 'labour casualization' is viewed as a process of labour transformation (Standing, 2007). The literature indicates that 'labour casualization' or 'casual labour' is synonymous with the process of filling permanent positions with temporary or contract employees (Standing, 2007; Theron, 2014). Employment shifts from a reliance on full-time and permanent positions to greater levels of casual positions (Standing, 2007; ILO, 2016; Theron, 2014; OECD, 2002). This type of labour arrangements vary globally (Standing, 2007; Burgess and Connell, 2004; OECD, 2002; ILO, 2016). And typically, casual labour falls outside the scope of a standard employment relationship (ILO, 2016). According to the ILO (2016: 22), 'casual labour' is work executed for a short period of time, occasionally or intermittently, often for a specific number of hours, days or weeks. Although some countries have specific definition of the term, the common thread is that is

intermittent or casual in nature (ILO, 2016). This implies that the employment and its duration is temporary and based primarily on the needs of the employing organization.

However, as Campbell and Burgess (2001) note, temporary work is a flexible term, covering many different forms of employment relations and arrangements. The Organization for Economic Co-operation and Development (OECD) (2002) suggests that temporary employment can be understood by both employer and employee. For instance, when the duration of the employment is determined by an objective condition or situation, such as a predetermined date or the achievement of a goal, the employment is temporary. This includes workers who are on fixed-term contracts, replacement contracts, and contracts for a specific task, temporary agency workers, seasonal workers, and on-call workers, workers hired on a daily basis, trainees, and persons in job creation schemes (OECD, 2002; Campbell and Burgess, 2001). These forms of employment indicate non-permanency, and by their nature, do not offer workers the opportunity of a long-lasting employment relationship. Historically, these types of employment were used as a means for substitution of permanent workers on sick or vacation leave (Polivka and Nardone, 1989). However, as Standing (2007) notes, casual employment is steadily replacing standard employment.

According to Polivka and Nardone (1989: 11), casual labour is "any job in which an individual does not have an explicit or implicit contract for long-term employment or one in which the minimum hours worked can vary in a non-systematic way". For Polivka and Nardone (1989), it is based on terms of employment, such as job security, variability in hours and access to benefits. Casual employment can go on for long periods of time; however, based on the position itself, it does not guarantee permanency. Similarly, Atkinson and Gregory (1986) note that casualization is a process, whereby a dual labour market is developed, stratified and mutually isolated; where there is a core of permanent workers, with a periphery of workers on fixed term contracts or contracted as self-employed individuals. This result in lower wages and fewer benefits and entitlements for the latter, alongside an increased ratio of unpaid to paid labour and the intensity of work.

From an economic security perspective, Standing (2007) views casualization as taking place in two different ways, explicitly or implicitly; restricting workers from the seven-forms of economic security. This includes restrictions in labour market security, employment security, job

security, work security, skill reproductive security, income security, and representation security (Standing, 2007). Explicit casualization refers to the shift of employees from regular quasi-permanent employment to casual employment. On the other hand, implicit casualization refers to the weakening of conditions that characterize regular employment. The result is so that regular employment takes on the character of casual employment all but in name. Standing (2007) argues that implicit casualization is more prevalent. This means more people are employed in a status of precarious employment but not necessarily with a decline in employment duration.

Nonetheless, there is no universally accepted definition of the term. In theory and practice, casualization is often a site of confusion and controversy. As a process, it demands greater flexible labour relations. It is marked by tensions between vernacular, regulatory and contractual meanings. There are issues and differences in application and impact vis à vis employment relationships, rights and responsibilities of casual employees in comparison to standard employees.

According to Buchanan (2000) many 'casuals' have characteristics similar to permanent employment, however, the cost and risks of employment are placed on casual workers instead of employers. Consequently, they are vulnerable to unequal treatment because of reduced levels of employee rights, benefits and protection (Polivka and Nardone, 1989; Vosko, 2000; Campbell and Burgess, 2001; Campbell, 2004; Standing, 2007).

For the purposes of this paper, the OECD (2002), Polivka and Nardone (1989), and Standing (2007) provide a critical perspective from which to operationalize the concept of labour casualization in the context of Public Service reform. The objective condition under which 'casuals' are classed is on the premise that they governed by a different set of public service regulations to permanent public employees. In addition, for many of casual workers, the nature of their employment is ongoing. However, they are hired to work full-time with lesser benefits and security as compared to permanent employees. And in some cases, they serve in the capacity of posts designated for permanent employees. But even assuming satisfactory performance, either by the individual or the organization, their employment condition does not explicitly or implicitly guarantee permanency within the Public Service.

In summation, labour casualization involves a process of hiring and keeping people in temporary positions rather than permanent because it is much cheaper to hire and fire temporary

workers in an unpredictable economic climate. To appreciate further the significance of labour casualization, the following section examines key factors that have contributed to its rise.

Labour Market Flexibility and Labour Casualization

Labour casualization is rooted in neoliberal economic assumptions about labour market flexibility (Pons-Vignon, 2010). Labour casualization in the context of labour market flexibility promotes the ability of employers to adjust production costs, based on market demands, while remaining profitable. It had a significant impact on labour markets following the global economic recession in the 1980s. The latter precipitated a shift towards neoliberal informed policies to grapple with macroeconomic imbalances (Self, 1993; Mohamed, 2008; Pons-Vignon, 2010; Antunes, 2013). This shift led employers to search for different ways to reduce wage, costs, and maximize profits by demanding more flexibility in labour markets.

It has become a tenet of neo-liberal economists and policy makers that too much regulation and governmental interference leads to inefficiency and stagnation in the world economy (World Bank, 2006). The assumption is that a flexible labour market will accelerate trade liberalization, increase employment, reduce production costs and facilitate investments. It is viewed as a necessary part of a package of reforms to counteract socioeconomic decline and allow for economic growth in developing countries (Harvey, 2006; Ghosh and Guven, 2006). Under the banner of neoliberal reform, the promise was that an open market will promote economic integration and provide a favorable global labour market. Labour casualization is promoted as a complementary precondition to address deep-rooted global issues such as unemployment and poverty (Self, 1993; Ghosh and Guven, 2006).

There is little doubt that unemployment and poverty are two key economic challenges facing developing countries (World Bank, 2006). The neoliberal pro-market approach proposes that a flexible labour market can address these challenges; consequently, leading to the development of human wellbeing. Moreover, during the process of expansion, the competitive power and creativity of organizations will supposedly dramatically develop too, resulting in increased economic growth (Ghosh and Guven, 2006). As such, ‘deregulation of labour-rights’, and ‘privatization of the state’, which will be discussed in the subsequent sections, are regarded as necessary steps for promoting ‘labour market flexibility’ and counteracting economic stagnation

(Mohamed, 2008; Harvey 2006; Antunes, 2013; Ghosh and Guven, 2006; Fontaine, 2003; Merrill, 1992).

In short, the neo-liberal economic argument is essentially that in a globalized economy, labour flexibility is a precondition to stimulate private sector activities and increase foreign direct investments for employment creation (Solow, 1997). The presumption is that a flexible labour market (deregulation and privatization), with fewer regulations (such as minimum wage, mandated non-wage cost, unemployment benefits, unionism), will increase production for employment creation and consequently, lead to higher economic growth (Ghosh and Guven, 2006; World Bank, 2006). In essence, the market is viewed as the leading force for socioeconomic development; an engine of policy reform. This implies that to create fertile grounds for the 'free-market' to succeed requires the removal of trade regulations to ensure labour market flexibility.

However, the positive achievements of free-trade have also had various deleterious impacts in Least Developed Countries (LDCs). According to Ghosh and Guven (2006), free-trade has distorted labour markets and increased inequalities in LDCs. Research conducted by the World Bank shows that only 15 percent of developing countries with populations over half million have had successful growth since the 1980s (cited in Pritchett, 2005). Broadly speaking, this suggests that openness to international markets is at best a double-edged sword. Mexico, for example, one of the largest developing economies in the Latin American Region, since adopting liberal trade policies in the 1980s, has had an increase in poverty and unemployment, and a loss of over 50 percent real purchasing power (Villarreal, 2010). The United Nations Conference on Trade and Development (UNCTAD) reports that for developing countries as a whole (excluding China), free-trade has resulted in negative growth. According to the UNCTAD (1999), "the average trade deficit in the 1990s is higher than in the 1970s by almost 3 percentage points of GDP, while the average growth rate is lower by 2 percent per annum." Furthermore, free trade has directly resulted in increased unemployment and precarious employment, which means that a greater amount of people lack economic security (Standing, 2010; Vosko, 2008; Ghosh and Guven, 2006).

Free –Trade and Deregulation of Labour Rights

From a neoliberal economic perspective, rigid labour relations are detrimental to the efficient operations of organizations (Standing, 2008). The assumption is that this in turn hampers job

creation (Rodgers, 2007). The World Bank (2006) even identifies this as a key factor for the slow and inadequate growth of global employment. However, as Benjamin et al, (2010) argue, the idea that high unemployment and poverty levels are necessarily a result of labour market regulations, is yet to be proven. This has not prevented pro-market advocates claiming that with fewer regulations, production will increase and cooperation between buyers and sellers will be regenerated. This is viewed as a way to maximize market size and efficiency (Mohamed, 2008).

From the latter perspective, governments, labour laws and trade unions are often portrayed as harbingers of economic inefficiency through their interference in the operation of an unbridled free market. Unionism, according to neoliberal theorists, affects the 'free-market', because trade unions raise the price of labour by facilitating worker's ability to negotiate (Vosko, 2000; Mohamed, 2008; Pons-Vignon, 2010). And according to Vosko (2003), temporary workers are less likely to become unionized. Hence, organizations favor these types of workers to control production costs. Moreover, employers often cite that the hiring of standard employees leads to long-term commitments (Solow, 1997; Mohamed, 2008). But, if the employment is considered casual or temporary, firms can utilize workers while simultaneously avoiding long term commitments and the non-wage costs that such a commitment might entail. This indicates that if economic productivity is to be increased, labour, which is the most crucial element in production, must be kept at a minimal cost.

Increases in the use of temporary workers is a way of avoiding the formalities that comes with 'standard employment', such as severance pay, benefits, vacation and sick leave, and unionism (Vosko, 2000; Mohammed, 2008). Employment benefits, job security and minimum wages in many cases are not extended to temporary workers (Vosko, 2000; Bodibe, 2006). Subsequent, temporary employees' rights are reduced due to informality associated with the portrayal of their job. Casualization then for that reason, allows organizations to reduce production cost at the expense of workers because employers have lesser obligations for future assurances. As well, casual workers can be kept without long-term commitments and benefits. A decrease in unionism, increases in wage inequality and the reduction of workers' rights are often cited as some of the many effects of unrestrained free-trade (Bodibe, 2006; Mohammed, 2008; Kapp, 2013).

Some scholars argue that trade liberalization policies, on commodity, labour and capital, increases the imperative to reduce production costs (Vosko, 2000). This in turn increases the use of flexible labour strategies as free-trade permits organizations to source the cheapest thing from the global market. The pressures of globalization for labour market flexibility, therefore creates a climate conducive to casualization and increases the use of casual workers due to a reserve supply of low cost labour. Subsequently, many countries have undergone frequent amendments to labour market policies and practices (Mohammed, 2008). As Pollitt and Bouckaert (2004) argue, the enhancement of organizations' flexibility is a precondition for survival and expansion in the free-market. And according to Mohammed (2008) economic restructuring is almost inexorable as organizations use the potent threat of 'capital flight' and shifting production to labour markets that are less regulated and more flexible. This has since led to substantial changes in the way labour is organized.

Subsequently, in the face of such pressure, governments in LDCs began to believe that the ability to easily hire and fire workers was a major factor in increasing their country's attractiveness to outside investment. But it has actually resulted in increased unemployment and precarious employment (Ghosh and Guven, 2006; Standing, 2010; Vosko, 2008). According to the World Bank (2013), the increase of vulnerable workers especially in developing regions results in increased poverty and leaves many workers with weak disposable income.

According to Vosko (2000) and Mohamed (2008), the rise in temporary employment has altered labour relations, led to deterioration in the standard model of employment and broken the link between productivity gains and annual wage increases. It has also decreased employment protection and curbed union membership.

Having said this, economic security and deregulation of labour markets interact with economic conditions and vice versa, which determine the impact flexibility will have in the labour market in a particular country (Solow, 1997). Evidently, there are pros and cons in relation to labour market flexibility for both employers and employees.

Effects of Labour Market Flexibility

As mentioned, labour market flexibility is supposed to improve efficiency, and meet fluctuating

market demands, while trying to reduce operational expense. It requires the removal of state protections on labour market regulations. According to Menezes-Filho and Scorzafave (2000), employment reforms which addressed the reduction in hiring rates in Brazil, after decades of very volatile macroeconomic conditions and high levels of inequality, led to a reduction in unemployment and informality. These employment reforms, subsequently resulted in increased equality amongst citizens. Similarly, Fedderke (2002) noted the effects of a change in policy in South Africa on its gold and uranium sector. Fedderke (2002) found that labour shedding occurs whenever there is a significant increase in real labour cost, and during periods of labour cost moderation, or declines in real labour costs, employment increases. This indicates that employment wages do affect employment levels and that countries with rigid labour relations may have higher levels of unemployment. Therefore, it is easy to assume that labour market flexibility results in growth and deregulation of labour rights fosters employment creation.

Nonetheless, not all economies are equally receptive to labour market deregulation. As Marshall (2004) points out, in Argentina, policies of labour market deregulation that were put in place in the 1990s resulted in an increase in unemployment. A study by Bernal-Verdugo, Furceri, and Guillaume (2012) shows that in 97 OECD industrial countries over the period 1980-2008, with over 50 percent of the sample size being developing countries, labour market flexibility negatively impacted both labour market regulations and institutions. This effected the level and change of unemployment outcomes particularly in relation to youth and long-term unemployment. The study analyzed indicators of labour market flexibility in six key policy areas, such as minimum wage; hiring and firing regulation; centralized collective wage bargaining; mandated cost of hiring; mandated cost of work dismissal; and recruitment results. Overall, Bernal-Verdugo, Furceri, and Guillaume (2012) concluded that improvements in the flexibility of labour market regulations have a statistically harmful effect on the total unemployment rate in both OECD countries, as well as in non OECD countries. This runs contrary to the claim that flexible labour markets result in increased employment.

However, labour market flexibility is not simply about the growth of employment but also the quality and types of jobs created. Creating labour market flexibility through deregulation has resulted in the increase of temporary employment (World Bank, 2006). And over time, what constitutes temporary employment has become increasingly elastic (Standing, 2011; Campbell,

2004; Tsipouri, 2005). As Ghosh and Guven (2006) and Vosko et al., (2003) point out, the drive for greater labour market flexibility results in poor quality of jobs and exploitation of workers. According to Kalleberg (2009) even for countries with relatively high levels of standard employment and socio-economic development, increased levels of employment have become characterize by informal, precarious, non-standardized, casual work. For Standing (2011), temporary jobs equate to precariousness.

According to the work of Dolado, Serrano and Jimena (2002) in Spain, when unions are not too powerful, in periods of high growth, temporary employment decreases, as well as unemployment rate for a similar level of vacancies. The work of Dolado, Serrano and Jimena (2002) supports the idea that unionism does interfere with the free-market and flexible labour market policies.

On the other hand, the adverse effects of reduced collectivism can result in workers facing greater economic insecurity and less decent employment. As Briggs and Buchanan (2000) note following the introduction of labour market deregulation and an influx of casual workers in Australia, not only did it contribute to a reduction in collective bargaining, but an increase in wage inequality and reduction in workers' rights. However, for developing countries, characterized by flexible labour markets and scarce employment opportunities, strengthening unionism faces many challenges. In LDCs, casual workers either fear victimization for joining a union or they simply cannot afford to pay union fees (Bodibe, 2006). The result is that casual workers will often not associate with unions because they do not want nor can they afford to lose their jobs.

According to Standing (2011), some workers considered casual labour as a stepping stone for career development, but for many, it is a step ladder down into low income status and stigma. Standing (2011) further notes that casualization does not promote social mobility and the prospect of gaining decent income is reduced the minute a worker accepts such a precarious situation. In many cases, youth and women suffer greater challenges in comparison to men if there is a preponderance of informal jobs in the labour market (Kalleberg, 2009; Vosko et al., 2003). This situation is exacerbated in developing countries. According to Burawoy (2010) despite exploitative practices and paltry wages for casual workers in LDCs, any employment is considered better than none. As Bernstein (2007) argues, with the increasing range of unpaid labour, it is essential to

retain jobs just to ensure basic survival in LDCs. As a result, casual workers will endure many depravations, belittlement and abuses to safeguard what little economic opportunity they have.

Drawing on Bernstein's work on the effects of labour market flexibility, in developing countries, a study by Rosham (2007), in South Africa's labour market, revealed overwhelmingly high unemployment rates. Rosham (2007) noted that casual workers work for wages below the poverty line and are less likely to receive employer provided health benefits or retirement benefits. Moreover, casual workers have no access to medical aid or retirement fund schemes, have virtually no job security, and supervision of labour standards becomes more difficult (Rosham, 2007). These workers are commonly referred to as the 'working poor' (Vosko, 2008).

Overall, the pressure of labour market flexibility results in increased unemployment, precarious employment, deterioration of economic performance, and a reduction of innovation capacity (Ghosh and Guven, 2006; Solow, 1997; Tsipouri, 2005; Standing, 2010; Vosko, 2008). Additionally, labour market flexibility alters labour relations in such a way as to deteriorate and curb employment protections along with union membership. All of which fosters low wage economies and diminishes job security (Vosko, 2000; Mohamed, 2008; Ghosh and Guven, 2006; Standing, 2007).

But despite the adverse effects, which are uneven, labour market flexibility is consistently viewed by policy-makers and economists alike as an appropriate measure for cost reduction; a tool to increase employment for socio-economic development; and vital for efficient and effective functioning of organizations both private and public in the global era. As a result, in developing countries, where casual employment is not a choice but fact of life for many, it maintains a population in a permanent state of poverty and leads to a greater sense of injustice and inequality (Burawoy, 2010; Standing, 2011; Bernstein 2007).

Free-trade Landscapes: Privatization of Public Services

For developing countries, privatization and labour market flexibility have often been part of a broader set of economic reforms designed to improve economic efficiency. This has contributed to the reorganization of labour in the public sector. Pressure to instigate such reforms from powerful donors and international lending organizations have often led to governments

relinquishing state control of the economy through trade liberalization and the privatization of public services, wherever possible (Self, 1993; Ghosh and Guven, 2006). The practice of privatization led to the dismantling of state exclusivity in the provision of public services and introduced internal competition with an increase in private providers (Self, 1993; Kaul et al, 2003; Pollitt and Bouckaert, 2004; Osborne and Brown, 2005).

Yet, there are forceful arguments that some public services are too politically sensitive to be privatized and opened up to market competition (Conley, 2002; Pollitt and Bouckaert, 2004; Osborne and Brown, 2005). As a result, in the public service sector the use of casual forms of employment provided an alternative 'Trojan Horse' route to cost reduction in public services. This crosscutting mechanism is often termed privatization by the 'back door' and closely associated with the proliferation of 'New Public Management' (NPM) practices in public institutions (Osborne and Brown, 2005; Pollitt and Bouckaert, 2004).

In theory, NPM embraces labour market flexibility and since the 1980s it has increasingly come to dominate the management of many public services in line with free-trade and privatization agendas. NPM seeks to promote limited bureaucracy and replace it with a flexible model of public service delivery. This subtly changes the expectations about the role of the government and a refocusing on the efficient use of increasingly scarce resources (Self, 1993; Osborne and Brown, 2005; Pollitt and Bouckaert, 2004). NPM adopts market concepts of internal competition, managerialism, contract workers, competitive tendering, monitoring and measuring staff; performance related pay. This creates a strong emphasis on performance efficiency and incentives into the operations of government agencies (Self, 1993; Larmour, 1998; Osborne and Brown, 2005; Pollitt and Bouckaert, 2004).

The key assumption of labour market flexibility and casualization in the public services hinges on the idea that public sector functions and private sector practices are compatible. Fusing the two together can supposedly provide the economy with efficient and effective services (Osborne and Brown, 2005; Pollitt and Bouckaert, 2004). In a climate of heightened economic competition, many developing countries adopted these labour practices of flexibility by default and the fear of being left behind in a globalized world; but for many, the pressure to restructure was hardly a choice (Larmour, 1998; Ghosh and Guven, 2006).

New Public Management in Developing Countries' Public Sector

The 1980s economic crisis brought with it weak economic performance, large external debts obligations, large fiscal deficits and high levels of unemployment for many developing countries. Under pressure from the World Bank and IMF, they found themselves corralled into imposing fiscal discipline via reform of their public sectors (Dooley and Frankel, 2003; Fontaine, 2003; Merrill, 1992; Huther, Roberts and Shah, 1997). The majority of these reforms were a conditionality to receiving much needed development aid and loans. For some developing countries, this included macroeconomic commitments such as cutting public sector expense, wage freeze for public officers, retrenchment of public officers, and privatization or liquidation of public companies (Dooley and Frankel, 2003; Fontaine, 2003; Merrill, 1992; Huther, Roberts and Shah, 1997).

Prescribed conditionalities focused on the deregulation of government labour practices and the privatization of public sector services, through a more flexible labour market. The World Bank and IMF, key promoters of neoliberal economic policies, considered labour market flexibility as a necessary policy intervention. On the other hand, critics viewed it as risking disparity and vulnerability (Ghosh and Guven, 2006; Momm, 1999; Lamour, 1998). Nonetheless, the overall aim was to reduce and restrain the growth of the large public sector debts in developing countries.

Retrenchment and Privatization

Retrenchment and privatization were two of the key components of IMF's Structural Adjustment Programs (SAPs) which emphasized the need to reform the role of the state and reduce the size of large public sector wage bill. In many cases, wages and general administrative expenditures account for large shares of developing countries' budget, which leaves limited resources for the provision of basic services (Huther, Roberts and Shah, 1997). And as such, retrenchment and privatization were held out as necessary to address the issue. Haltiwanger and Singh (1999) estimate that of 41 retrenchment programs, which commenced in the early 1990s across 37 developing and transition countries under the auspices of IMF SAPs, approximately 5 million public officers lost their jobs. Many welfare services that were once operated by the state were transferred to private sector operators including water, sanitation services, education, electricity, telecommunications etc. (Fontaine, 2003; Merrill, 1992; Robinson and Palacio, 2011).

A new public sector environment with tight financial controls and the forcible stimulation of private sector activities meant that public sector ethos in developing countries began to transform. The IMF and World Bank SAPs introduced NPM approaches, under the banner of 'good governance', which started to dominate developing countries' public sector (Larmour, 1998). According to Moore, Stewart and Hoddock (1994:13), "the central feature of NPM is the attempt to introduce or simulate, within those sections of the public service that are not privatized, the performance incentives and the disciplines that exist in a market environment." The assumption is that there are benefits in terms of efficiency and effectiveness in exposing public sector activities to market competition, managerialism and incentives using private means to serve public purposes. Governments are supposed to learn from the private sector, despite contextual differences (Metcalfe and Richards, 1990:155). This imposition has since dramatically resulted in many changes in the role of public servants from previous decades.

Restructuring public sector services, since the 1980s have led to many modifications in the ways public servants are recruited, trained, appraised, promoted, disciplined and declared redundant (Pollitt and Bouckaert, 2004; Osborne and Brown, 2005). The goal to improve efficiency and effectiveness of state owned enterprises, by reducing and restraining the growth of public expenditure has been critical to public sector employment. This has resulted in a greater use of flexible forms of employment relations such as temporary, part-time, casual and contract workers in the public sector (Pollitt and Bouckaert, 2004). These changes subsequently led to a change in the general belief that public servants have a job for life. As Self (1996) notes, permanency in the public sector is now outdated.

The limits of New Public Management and Labour Casualization

New Public Management (NPM) and labour casualization aim to reduce government spending and stimulate private sectors activities. However, their outcomes have been generally uneven and contractionary. As Self (1993) notes, privatization of public services and privatization in the delivery of public services has led to continuous problems of monopoly; loss of public investments, political favoritism and exploitation. The loss of public sector employment by way of retrenchment and privatization, have been detrimental to public sector workers, particularly workers in developing countries. Moreover, casual workers are often restricted from one or many of the seven

forms of basic economic security including labour market security, employment security, job security, work security, skill reproduction security, income security, and representation security (Standing, 2007). As Solow (1997) presciently foresaw, a major deficiency of these structural adjustment reform policies was that they did not take into account sufficiently the specificity of developing countries and the overlapping forces and interests in play. For Lamour (1998) it is a common trend in developing countries.

Harvey (2006) goes further by arguing that the privatization of public services was only a means to open fresh fields for capital accumulation to expand capitalists' profitability. This has been at the expense of citizens' wellbeing especially in developing countries. In Latin American and Caribbean countries, privatization has resulted in fewer jobs in the public sector, more jobs in the services sector and fewer in manufacturing. This reorientation has meant fewer workers in the formal and more in the informal sector. There are more people in precarious jobs and on temporary contracts. This has in fact increased situational poverty (Momm, 1999; Villarreal, 2010).

CONCLUSION

Although labour casualization is acceptable and even desirable, if the casual worker is provided with basic economic security, in many cases, they are not. As this paper has shown, they are often disadvantaged. It outlined the ways in which precariousness and insecurity inhabit temporary employment. In effect, casualization traps workers into low paying jobs. The economic plight of these casual workers is underestimated by conventional measures of income inequality. When compared to others fulltime employees doing essentially the same work, temporary workers are more likely to suffer from anger, anomie, anxiety and alienation. They feel separated, stigmatized and experience vulnerability by way of job insecurity. All of which is internalized and transmits into their working aptitudes and morale. As the paper underscores, it hinders their ability to perform effectively, thus decreasing productivity and the quality of public service delivery in the long run.

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