From market hegemony to diverse economies: evaluating the plurality of labour practices in Ukraine

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Abstract

Drawing inspiration from a burgeoning corpus of scholars who have begun to question the narrative of impending market hegemony, this paper seeks to further advance this emergent ‘diverse economies’ literature by constructing a conceptual framework for representing the multiple labour practices in economies. Transcending the simplistic market/non-market dichotomy, this conceptualises multiple kinds of labour existing along a spectrum from market-oriented to non-market oriented practices, which is cross-cut by another spectrum ranging from wholly monetised to wholly non-monetised practices. The resultant portrayal of a plurality of labour practices that seamlessly merge into each other is then applied to understanding the types of labour used in Ukraine. Analysing the results of 600 interviews conducted across various populations reveals not only the shallow permeation of the formal market economy in this society that has been supposedly undergoing a ‘transition’ to the market but also the existence of diverse work cultures across different populations along with marked socio-spatial variations in the nature of individual labour practices. The outcome is a call for a re-reading of the organisation of labour in Ukraine and the wider application of this conceptual lens that captures the proliferative nature of labour practices in economies.

Keywords: work organisation; informal economy; diverse economies; commodification; economic sociology; Ukraine

Introduction

A prevailing orthodoxy amongst corporate leaders, politicians and many academics is that the continuing encroachment of capitalism is inevitable, inescapable and irreversible (Ciscel and Heath, 2001; Gough, 2000; Gudeman, 2001; Harvey, 2000; Kovel, 2002; Slater and Tonkiss, 2001). The starting point of this paper, however, is an emergent
corpus of post-structural, post-development, post-colonial and critical geography scholars who have begun to contest this narrative that marketization is natural, immutable and indisputable (e.g., Escobar, 1995, 2001; Gibson-Graham, 2006; Gibson-Graham and Ruccio, 2001; Leyshon et al, 2003; Smith and Stenning, 2006; Williams, 2005). Here, the intention is to further contribute to the advancement of this emergent but loose body of literature by developing a conceptual framework to represent the multiplicity of labour practices in economies and then analysing the types used in Ukraine through this lens.

In the first section, therefore, the way in which the discourse of market hegemony has started to be contested by a small, growing stream of scholars who highlight the persistence of ‘diverse economies’ will be outlined. Following this, and to bring some order to the multiple labour practices that continue to prevail in many economies, a conceptual framework will be introduced which depicts a spectrum of labour practices from more market-oriented to more non-market oriented, cross-cut by another spectrum ranging from wholly monetised labour practices to wholly non-monetised practices. In the second section, this conceptual lens is then used to understand the diverse kinds of labour used in Ukraine and to map the socio-spatial variations in work cultures as well as individual labour practices. Analysing the results of 600 face-to-face interviews, this will uncover the shallow permeation of capitalism along with how work cultures as well as individual labour practices differ across both deprived and affluent rural and urban districts as well as by household income levels. The concluding section then calls for a re-thinking of labour relations and the lived practice of economic transition in Ukraine and beyond, and for the wider application of this typology to understanding the multiplicity of labour practices in economies.

From market hegemony to diverse economies

Every society has to produce, distribute and allocate goods and services to its citizens. All societies therefore have an economy of some variety. To understand these varieties, three modes of delivering goods and services are commonly distinguished; the ‘market’ (private sector), the ‘state’ (public sector) and the ‘community’ (informal, social or third) sector (Giddens, 1998; Gough, 2000). Reading the economy through this tripartite lens, it the market realm is asserted to have become dominant and to be colonising all other realms.

Indeed, there is for many now seemingly no alternative to capitalism. On the one hand, this is argued by neo-liberals who celebrate its on-going encroachment such as de Soto (2001: 1) who rejoices that ‘Capitalism stands alone as the only feasible way rationally to organize a modern economy’. On the other hand, however, it is also argued by those opposed to its deeper encroachment who appear to have surrendered themselves to its inevitability and irrefutability. As Castree et al (2004: 16-17) conclude, ‘that this is a predominantly capitalist world seems to us indisputable… this system of production arguably now has few, if any, serious economic rivals’. For Fulcher (2004: 127) similarly, ‘The search for an alternative to capitalism is fruitless in a world where capitalism has become utterly dominant’.

Over the past decade or so, however, what Gibson-Graham (2008) terms a ‘diverse economies’ approach has emerged to challenge this discourse of market hegemony and to offer a re-reading of the nature of economies and trajectories of
economic development not only in western ‘market’ economies (e.g., Gibson-Graham, 1996, 2003, 2006; Gibson-Graham and Ruccio, 2001; St Martin, 2005; Williams, 2002, 2003, 2004, 2005) and majority (third) world countries (e.g., Escobar, 1992, 2001; Esteva, 1985; Whitson, 2007) but also the post-Soviet economies of Central and Eastern Europe (Round et al, 2008; Smith, 2004, 2005, 2010; Smith and Stenning, 2006). As Smith (2004: 14) succinctly explains, these commentators seek ‘to liberate the non-capitalist from its secondary position in understandings… and to reposition “capitalism”’. Their argument is that accepting market hegemony reinforces the vested interests of capitalism by constructing its dominance as natural, immutable and inevitable and closes off the future. The intention therefore, is to de-centre market hegemony and articulate alternative representations of how economies are, and might be organised, by recognizing the present-day existence of multifarious practices (Chowdury, 2006; Gibson-Graham, 2006, Williams, 2005). As Samers (2005: 876) puts it, they seek to ‘relinquish a vision of a largely unimaginable socialism as capitalism’s opposite, and instead, recover and revalorise a multitude of non-capitalist practices and spaces that disrupt the assumption of a hegemonic capitalism’.

What conceptual frameworks or taxonomies are currently used, therefore, to capture the diversity of practices? Conventionally, a market/non-market dualism composed of separate and largely hostile spheres was delineated, and attention drawn to the non-market realm to contest the dominance of the market and depict other practices beyond the market. In the diverse economies literature, however, there is widespread recognition of the need to transcend such dichotomous, or what Derrida (1967) calls hierarchical binary thinking, that firstly conceptualises the market and non-market realms as stable, bounded and constituted via negation and secondly, depicts them hierarchically with the superordinate (the market) being endowed with positive attributes and as growing and the second term, the subordinate or subservient ‘other’ (the non-market) with negativity and as disappearing. The outcome is to establish a relation of opposition and exclusion, rather than similarity and mixture, between what are viewed as separate market and non-market realms and the resultant dichotomy is then overlain with a normative narrative of ‘progress’ in which the extensive superordinate ‘us’ (the market) is privileged over the separate, much weaker and residual subordinate ‘other’ (the non-market).

To transcend this market/non-market hierarchical binary, some scholars have simply sought to invert the hierarchy. For example, Chowdury (2007: 49) portrays market economic practices as ‘small, dispersed and fragmented’ and the non-market realm as extensive. As Samers (2005) asserts however, simply inverting this hierarchy, such as by arguing that the market is marginal and the non-market extensive, or normatively asserting that the non-market is ‘progressive’ and market ‘regressive’, is inadequate and inappropriate. It ignores firstly, that the market and non-market are not always separate spheres, secondly, the diversity of practices within the market realm and the non-market realm and thirdly, the fact that they are not always hostile worlds composed of entirely different economic relations, values and motives (Williams and Zelizer, 2005).

The consequent outcome has been a search for more nuanced orderings of ‘diverse economies’ (Gibson-Graham, 1996, 2006) that seek to transcend the hierarchical ordering of the market and non-market and their dichotomous depiction as separate and unified spheres. The overarching acceptance in the diverse economies literature,
therefore, is that it is necessary to unpack how the market and non-market are not separate, the lack of unity in each realm and how the economic relations, values and motives embodied in market and non-market work are not always different so as to blur the distinction between them (Chowdury, 2007; Gibson-Graham, 2006; Lee, 2006; Pollard et al, 2009; Smith and Stenning, 2006; Williams, 2005).

One resultant conceptual framework adopted is that which breaks down the non-market realm into component parts according to whether goods and services are produced for exchange, the exchanges are monetised and the monetary exchange is imbued with the profit motive. Three varieties of non-market labour are thus identified: non-exchanged labour where a household member engages in unpaid work for themselves or another member of their household; non-monetised community labour where a household member engages in unpaid work for somebody who lives outside of the household, and not-for-profit monetised labour where monetised exchanges take place but for-profit motives are not to the fore (Leonard, 1998; Pahl, 1984; Williams, 2005). The problem with this common typology of labour practices is that although it unpacks some of the diversity in non-market labour practices, it leaves intact market labour as a unified whole and also the notion of the market and non-market as separate hostile spheres.

It is similarly the case with the taxonomies adopted by Gibson-Graham (2006) that differentiate transactions into three sub-categories, namely market, alternative market (e.g., off-the-books, barter) and non-market (e.g., gift-giving, subsistence), and also labour practices into three broad types, namely waged, alternative paid (e.g., cash-in-hand, reciprocal) and unpaid (e.g., family care, self-provisioning). Although these taxonomies again unpack the non-market realm, they both leave the market intact as a unified whole and also both separate the market from the non-market and portray them as distinct realms.

How, therefore, can the multiplicity of practices be portrayed in a way that shows how the market and non-market are not separate, diverse practices exist within the market and non-market realms and that they are not always hostile worlds? Perhaps the most prominent and promising attempt so far made is the ‘total social organisation of labour’ approach of Glucksmann (2005: 28) who reads ‘the economy as a “multiplex” combination of modes, rather than as a dualism between market and non-market forms’. For her, various labour practices exist along a continuum from formal to informal and this continuum is then cross-cut by whether a form of labour is paid or unpaid (Glucksmann, 1995, 2005).

Here, this total social organisation of labour approach is further extended in order to portray the multiplicity of labour practice sin any economy. As shown in Figure 1, a seamless range of labour practices is envisaged firstly along a spectrum from relatively market-oriented to more non-market oriented labour practices and secondly, and cross-cutting this, along a further spectrum (rather than dualism) from wholly non-monetised, through gift exchange and in-kind labour, to wholly monetised labour practices. Hatched circles are here deliberately used to display how although labour practices along these continua are named, they are in effect part of a borderless continua of practices, rather than separate kinds of labour, which each overlap and seamlessly merge into one another as one moves along both the marketisation spectrum of the x-axis as well as along the monetisation spectrum of the y-axis. Unlike previously used taxonomies both in the diverse economies literature and beyond, this therefore captures the borderless fluidity of
labour practices showing how the multiple practices in existence are not separate discrete practices but are seamlessly entwined and conjoined.

Firstly, there is formal paid labour in the private sector (denoted by a [1] in Figure 1), defined as paid work in the private sector registered by the state for tax, social security and labour law purposes. This has been conventionally portrayed as the ‘home’ of the formal market economy, the centre of the economy proper and separate from other labour practices. However, given that private sector organisations are increasingly pursuing a triple bottom line, whilst public and third sector organisations are also pursuing profit (albeit in order to reinvest so as to achieve wider social and environmental objectives), an ongoing blurring of the boundaries between formal labour in these three spheres is occurring, as is reflected in the overlapping of these zones. Formal labour (in all three sectors) also overlaps with informal employment and formal unpaid labour.

Informal employment is here defined as paid labour unregistered by or hidden from, the state for tax, social security and labour law purposes. Two broad types can be distinguished: wholly undeclared employment where work is undeclared for tax, social, security and labour law purposes, and under-declared formal employment where formal employees receive from their formal employer both a formal declared wage as well as an undeclared ‘cash in an envelope’ wage (Williams, 2009). Conventionally, and grounded in a separate and hostile spheres depiction, the belief was that a job was either formal or informal but could not be both. However, under-declared formal employment clearly displays that this is not the case and that labour can be at the same time both formal and informal.

Formal paid and unpaid labour also overlaps with labour at this border perhaps expanding in recent years. Registered unpaid labour in the private and public sector can take the form of unpaid internships or a one-week trial, and people do this expecting paid formal labour at the end. However, non-payment is most extensive in third sector organisations, where it is more usually referred to as ‘formal volunteering’. As Williams (2005) reveals, for every 14 hours worked in paid formal labour in the UK (assuming 27 million people
working an average of 35 hours), one hour is spent working unpaid in formal community-based groups. This, therefore, is not some minor labour practice. Sometimes, moreover, it becomes ‘off-the-radar’ unpaid labour, such as when a children’s football coach or a parent helps out but without the necessary police checks.

Moving from group-based to individual-level labour practices, one-to-one unpaid labour can be defined as unpaid labour provided on a one-to-one basis to members of households other than one’s own such as friends, neighbours and acquaintances. Often, however, the lines again blur between this and one-to-one paid community labour when gifts or in-kind labour is involved in lieu of payment. Whether such labour at the border is more akin to informal employment or unpaid mutual aid depends on the social relations and motives involved. Financial gain is usually more prominent when more distant social relations are involved, and redistributive and relationship-building purposes when conducted for and by closer social relations, thus displaying how informal employment and monetised community exchange represent a continuum of, rather than separate, labour practices.

Turning to labour practices within the family household, sometimes family members are paid by other household members for tasks and/or gifts or in-kind reciprocal labour is involved. Monetary payment, however, is nearly always inter- rather than intra-generational (e.g., from a parent to a child). Including gifts and in-kind reciprocal labour nevertheless, the divide between monetised and non-monetised labour becomes very blurred. Indeed, it is perhaps rare that domestic tasks are today conducted wholly unpaid with no expectation of reciprocity in the future. Even unpaid housework, an activity often viewed as wholly non-monetised and non-exchanged, was frequently asserted to be embedded in expectations of reciprocity in couple households. Moreover, what constitutes family and non-family is by no means always clear-cut, since current acquaintances, friends and even neighbours might well be past or future family. This results in overlaps between what constitutes family/household labour and one-to-one community exchanges.

Given this taxonomy of the multiple labour practices in any economy which depicts a seamless spectrum from market- to non-market orientated practices, cross-cut by a continuum from monetised to non-monetised practices, attention now turns to using this to re-read the organisation of labour in post-Soviet Ukraine, a society supposedly in transition to a market economy.

**Evaluating the diverse economies of Ukraine**

To evaluate market penetration in Ukraine and document the multiple labour practices in this society, a survey was undertaken during 2005/06 of the labour practices used and supplied by 600 households. This is a society that has suffered severe economic problems since the collapse of the USSR. Between 1990 and 1999, official employment in Ukraine declined by about one-third (Cherneyshev 2006) and despite the euphoria surrounding the ‘Orange Revolution’, surveys reveal severe problems persist in the formal labour market (Cherneyshev, 2006; Lehmann and Terrell 2006).

Maximum variation sampling was employed to select a diverse range of affluent and deprived urban and rural populations. In the capital, Kyiv, an affluent district was chosen, Pechers’k, along with a deprived neighbourhood, Vynogradar’. Continuing the process of maximum variation sampling, a deprived rural area, Vasyl’kiv in Kyiv region was chosen and finally, a town on the Ukrainian/Slovakia border was selected, Užhorod.
This survey, although not nationally representative, enables the analysis of socio-spatial variations in labour practices across a diverse range of locality-types and therefore how work cultures and individual labour practices are differently configured socio-spatially.

Within each locality, a spatially stratified sampling methodology was used to select households for interview (Kitchin and Tate 2001). In each locality, 150 interviews were conducted (600 in total). If there were 3,000 households in the area and 150 interviews were sought, then the researcher called at every 20th household. If there was no response and/or the interviewer was refused an interview, then the 21st household was visited, then the 19th, 22nd, 18th and so on.

To evaluate the labour practices supplied and used in Ukraine, structured face-to-face interviews were conducted. Besides gathering background data on gross household income, the employment status of household members, their employment histories, ages and gender, firstly, respondents were asked about the types of labour they use to secure their livelihood. Secondly, the labour practices that the household last used to complete 25 common domestic services were analysed, thirdly, whether they had undertaken any of these 25 tasks for others during the past year using any of the ten labour practices, fourthly, open-ended questions about each of the ten labour practices conducted and its relative importance to their household income and fifth and finally, and using five-point likert scaling, attitudinal questions concerning their ability to draw upon help from others and their views of the economy, politics, everyday life and their future prospects.

Beyond market hegemony: unravelling the plurality of labour practices

Table 1 reveals participation in the market to be not as extensive as sometimes assumed. Just 26 per cent of respondents had engaged in paid formal labour in the private sector during the last 12 months. Relative to non-exchanged labour (which all respondents had conducted over the past year), one-to-one unpaid labour (which 62 per cent had conducted) and one-to-one paid community labour (44 per cent), participating in formal employment in the private sector appears confined to small pockets of the population with a similar participation rate to formal unpaid volunteering (25 per cent) and formal employment in the public and third sector (20 per cent).

Participation rates in paid formal labour in the private sector display some marked socio-spatial variations from 11 per cent amongst the lowest-income households to 34 per cent in the highest-income households. It is not just this labour practice, however, which varies socio-spatially. Participation rates in all ten labour practices (with the exception of one-to-one non-monetised exchange) are generally higher in affluent than deprived populations.

It does not necessarily follow that just because a labour practice is extensively used, households rely on it to secure their livelihood. Despite the relatively narrow participation rates in formal market labour, nearly one-third (32 per cent) of households chiefly depend on this labour practice to secure their livelihood. Over two-thirds (68 per cent) of households, therefore, primarily depend on practices other than private sector formal labour. Some 30 per cent chiefly rely on income from formal jobs in the public and third sector, 10 per cent on pensions/state benefits, 10 per cent on informal employment, 8 per cent on non-exchanged work, 6 per cent on paid favours amongst closer social relations and 4 per cent on unpaid one-to-one mutual aid.
Solely asking households about their primary livelihood practice, however, perhaps exaggerates the degree of reliance on the formal market economy. When also asked to name their second most important practice, just one in 25 households (4 per cent) depend entirely on the formal market economy and just one in 10 households purely on formal income sources. The majority of households (96 per cent) either combine formal market labour with other practices (28 per cent) or else use some combination of labour practices that does not include formal market labour (68 per cent). To refer to Ukraine as a formal market economy, therefore, is a grave misnomer. Only one in 25 households define themselves as relying solely on the formal market economy to secure their livelihood. Instead, a plurality of labour practices is the norm. Households bundle together jobs in the formal sector, utilize the social welfare system, engage in subsistence production, and in community exchanges to secure their livelihood, as has been previously intimated in many other East-Central European countries (Smith, 2005; Smith and Stenning, 2006; Wallace and Haerpfer, 2002; Wallace and Latcheva, 2006).

It is not just an examination of the labour practices supplied that highlights the diverse kinds of labour utilised in Ukraine. Evaluating the labour practices households last used to conduct 25 common domestic tasks, Table 2 finds that formal market labour was primarily last used in just 13 per cent of instances, displaying the limited
commodification of domestic services in Ukraine. Indeed, only 25 per cent of domestic tasks involved any kind of paid labour; the remaining three-quarters used primarily unpaid labour, with some 71 per cent chiefly non-exchanged labour.

Table 2 Labour practices used by households to conduct 44 everyday domestic services: by locality and gross household income

<table>
<thead>
<tr>
<th>Locality-type:</th>
<th>Monetised</th>
<th>Non-monetised</th>
</tr>
</thead>
<tbody>
<tr>
<td>All areas</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>Locality-type:</td>
<td>Affluent Kyiv</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Deprived Kyiv</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Deprived rural town</td>
<td>6</td>
</tr>
<tr>
<td>By household income:</td>
<td>Border town</td>
<td>8</td>
</tr>
<tr>
<td>&lt;600</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>600-1399</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>1400-2199</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>2200-2999</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>3000-3799</td>
<td>19</td>
<td>1</td>
</tr>
<tr>
<td>&gt;3800</td>
<td>44</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Ukraine labour practices survey 2005-06

Nevertheless, there are differences across populations in both the permeation of formal market labour and the work cultures that prevail. As Table 2 reveals, higher-income households and those living in affluent localities more commonly use formal market labour to complete domestic tasks than lower-income households and those living in deprived areas. Indeed, the lowest-income households externalise to the formal market economy just 8 per cent of the 25 tasks surveyed compared with 44 per cent amongst the highest-income households. Similarly, whilst households in the affluent Kyiv district outsourced 20 per cent of the domestic tasks to formal market labour, this figure was just 6 per cent in the deprived rural area of Vasil’kiv.

The extent of outsourcing to formal market labour, however, is not the only difference in work cultures across populations. Populations use other labour practices to varying extents and also different combinations to secure their livelihood. Higher-income households and households in affluent areas, for example, use monetised labour practices to a greater extent than lower-income households and those in deprived areas who more heavily rely on community exchanges between closer social relations, both of the monetised and non-monetised variety, and non-exchanged labour.
Socio-spatial variations exist not just in the extent of the permeation of the formal market economy and overall work cultures but also in the nature of each labour practice both in terms of its prevalence, the work relations and motives involved, and the extent to which such labour is concentrated at the overlap with other labour practices. To understand these socio-spatial variations, each labour practice is now evaluated in turn.

**Non-exchanged labour**

Non-exchanged labour involves unpaid work undertaken for oneself or other members of one’s household. For those who adhere to the narrative of marketisation, the assumption is that such subsistence production is disappearing (Jacob, 2003). This survey nevertheless reveals its extensive use. Both the prevalence and nature of this labour practice, however, varies across populations. Non-exchanged labour is more commonly used in lower-income households and those living in deprived populations, who use this largely out of necessity to complete more routine, mundane and repetitive tasks (e.g., routine housework), while higher-income households and those living in more affluent areas are more likely to outsource some routine work and then use a portion of the time liberated to engage in a wider range of more creative and rewarding self-servicing out of choice, such as do-it-yourself activity in the home improvement and maintenance realm. Non-exchanged labour, therefore, qualitatively differs in affluent and disadvantaged populations.

There is also considerable overlap between non-exchanged labour and other labour practices. Non-exchanged labour is often used alongside other kinds (e.g., formal labour, community exchange) to get tasks done, sometimes with different practices used for different stages in the production process and sometimes alongside each other. There are also, as will be shown, a range of practices at the boundary between non-exchanged labour and other practices.

**Monetised family labour**

Sometimes family members are paid by other family members within their household for conducting tasks. Usually, however, monetary payments occur only in inter- rather than intra-generational transactions (e.g., from a parent to a child, not between parents, although this blurs in the case of marital breakdown). Monetised family labour is slightly more prevalent in affluent populations where inter-generational monetary transfers occur from parents to children for tasks conducted, such as housework. Monetary payments are less common in lower-income populations where gifts rather than money are more commonplace.

Indeed, when gifts or in-kind reciprocity occur, the divide between non-exchanged and paid family labour becomes very blurred. Members of couple households often explicitly state that reciprocity in the form of in-kind labour is expected from their partner. Much so-called non-exchanged work, in consequence, appears to lie at the border and to involve reciprocity, calling into question the very depiction of self-provisioning as not involving exchange. Indeed, the lack of perceived equality in the balance of reciprocity between household members was a major issue voiced by respondents.
One-to-one non-monetised labour

One-to-one non-monetised labour involves help provided either on a one-way or reciprocal basis by or for kin living outside the household, friends, neighbours or acquaintances. Previous studies highlight the importance and complexities of this labour practice in post-Soviet societies (Ledeneva, 1998, 2006; Smith et al, 2006; Stenning et al, 2006). In Ukraine, this survey finds that nearly two-thirds (62 per cent) of households engaged in such exchanges over the past year, although this practice is more widespread in lower-income households where three-quarters had used such exchanges. Much of this labour is provided to kinship relations living outside the supplier’s household. When wider social relations are the recipients or suppliers, token payments, gifts or in-kind labour are often involved. Non-monetised labour is perhaps greater amongst lower-income populations simply because they rely more heavily on kin, lack the financial purchasing power to use money or gifts, and/or physical well-being to reciprocate with in-kind labour, so engage by default and out of necessity in non-monetised labour.

Lower-income populations, therefore, are more likely to engage in non-monetised exchange and affluent populations in exchanges at the interface with monetised exchange involving gifts or in-kind labour. Indeed, in deprived districts some two-thirds of one-to-one non-monetised labour was for kin whilst in the more affluent districts, one-third was for kin and two-thirds for more distant relations and closer to the monetised/non-monetised boundary. Affluent populations therefore use one-to-one monetised exchange more to expand their social networks and consolidate relationships whilst such labour in deprived populations revolves more around narrower social networks of kin who are used to deliver material aid.

Although deprived populations are more reliant on this labour practice and it is provided for and by closer social relations, they are nevertheless more likely to use this labour out of necessity (65 per cent of instances) whilst affluent populations do so out of choice (70 per cent of instances). Comparing people living in the affluent and deprived districts of Kyiv, the former were two times more likely to assert that receiving work on this basis was a choice compared with those living in the deprived district. Deprived populations therefore use this when no other options are open to them, whereas for affluent populations such a practice is more a matter of choice rather than due to a lack of choice. This finding is not in antagonistic contradiction to the finding of Brown and Kulcsar (2001) in rural Bulgaria and Clarke (2002a) in Russia that inter-household exchange is more likely among better-off households with greater economic and social resources. One-to-one unpaid exchanges are but one kind of inter-household exchange and one that is used more by deprived households, whilst affluent populations engage more in other kinds of inter-household exchange, as will now become apparent.

Monetised community labour

Paid favours involve one-to-one help provided to kin living outside the household, friends, neighbours or acquaintances and either a monetary payment and/or a gift is exchanged. As Zelizer (2005) reveals, the introduction of money does not depersonalise and turn social interactions into market transactions. People are capable of negotiating their relationship, of creating distinctions between different types of money and the social
relations to which they give rise. Until now, nevertheless, few studies have investigated the degree to which money changes hands during one-to-one community exchanges and how this varies geographically. This study of Ukraine, however, starts to fill that gap. It reveals that half of one-to-one community exchanges provided outside the household involve monetary payment, and a greater proportion in affluent than deprived households (three-quarters compared with under one half), doubtless because of the ability to pay in such populations. Akin to non-exchanged labour and one-to-one non-monetised community labour, this practice was much more likely to be a necessity than a choice for deprived populations. Indeed, some 80 per cent of the monetised community exchanges by populations in the deprived neighbourhood of Kyiv were stated to be used out of necessity compared with just 40 per cent in the affluent neighbourhood.

This reinforces western studies that recognize the existence of a ‘moral’ or ‘social’ economy of paid favours (Cornuel and Duriez, 1984; Williams, 2005) but identifies that such paid favours exist on a continuum ranging from those conducted for closer social relations more for profit-oriented reasons to those undertaken for close social relations where the profit-motive is largely absent and the rationales involve redistribution and consolidating social relationships, with many combinations in between.

Informal employment

Informal employment refers to paid activities not registered by, or hidden from, the state for tax, social security and/or labour law purposes. A continuum of kinds of informal employment exist ranging from at one end informal employees engaged in forms of work very close to formal employment in terms of the social relations and motives involved to at the other end, those engaged in informal employment much more akin to unpaid mutual aid, as discussed above. To here unpack the varieties existing further along the spectrum closer to the employment relationship, firstly, the different varieties of wholly undeclared informal employment and secondly, the varieties of under-declared employment will be examined.

Analysing undeclared work, much of the contemporary literature distinguishes between informal employees and those conducting such work on a self-employed basis (ILO, 2002; Neef, 2002; Williams and Windebank, 1998). In western economies, a segmented informal labour market is often identified, with relatively affluent populations engaging in largely informal self-employment which is relatively well-paid and rewarding, while relatively deprived populations conduct waged work which is low-paid, exploitative and conducted under sweatshop-like conditions (Williams, 2004; Williams and Windebank, 1998). In Ukraine, however, this is partially but not fully correct. Relatively deprived and affluent populations engage in both but there is a difference in the types of work each conduct.

Both deprived and affluent populations engage in informal self-employment. Contrary to the arguments of De Soto (1989) and others such as Maloney (2004) who argue that such informal entrepreneurship is a chosen alternative, in Ukraine it is usually conducted out of necessity and only amongst the relatively affluent is it sometimes a choice. From street-traders selling flowers grown on their dacha, through cigarette sellers in railway stations to skilled craftsmen providing their self-employed services to households and businesses, such self-employment was widely recited to be a necessity
due to either the absence of alternatives or the pay that they received from their formal employment being insufficient to meet their needs. Only amongst relatively affluent groups who mostly run enterprises either wholly or partially off-the-books, was such work a choice, such as the property developers interviewed who bribed government officials to give them planning permission for their plots of land and then built using wholly undeclared labour and did not even declare their profits from selling the houses to the state for tax purposes. Moreover, undeclared waged employment is polarised in a similar manner with affluent populations engaging in better paid forms of undeclared waged work and deprived populations in lower-paid more exploitative kinds of waged labour. As will now be revealed, furthermore, there is also a large amount of under-declared work in Ukraine which sits at the cusp of formal and informal employment.

**Formal paid labour**

Formal paid employment is paid work registered by the state for tax, social security and/or labour law purposes. Participation in this labour practice is not extensive in Ukraine with only 26 per cent engaging in formal employment in the private sector, although participation is greater in higher-income groups (see Table 2). When combined with formal labour in the public and not-for-profit sector, it is more common, with just over one-third of respondents in the deprived areas and two-thirds in affluent areas engaging in formal paid labour, although a higher proportion are in the public and not-for-profit sector in deprived areas, thus reducing the spatial disparities produced by private sector. However, this is a small sample and further research is required to analyse how the characteristics of formal jobs vary spatially.

A widely-held belief, moreover, has been that a job is either formal or informal, but cannot be both. This survey, however, reveals that many formal employees in formal jobs are paid an undeclared (‘envelope’) wage in addition to their declared wage. This is not for over-time. It is largely part of their core wage and 40 per cent of full-time formal employees and 22 per cent of part-time employees receive an off-the-books salary which constitutes on average 40 per cent of their total wage. Few receiving this envelope wage, however, see this as beneficial. This is because it reduces their pension and unemployment entitlements and their ability to gain access to credit with many unable to secure a mortgage or loans due to having no official record of their ‘real’ wage. Indeed, official salaries and state benefits perhaps remain low precisely because of the widespread prevalence of such payments. This labour practice therefore reveals that informal employment is not separate from formal market labour but part and parcel of contemporary capitalism and inseparable from it.

**Formal non-monetised labour in the private sector**

In Ukraine, often people work unpaid for a trial period when offered a formal job in the private sector. Indeed, 30 per cent of respondents starting a new formal job over the year prior to interview had been asked to do so, especially younger people. A significant minority had not been offered employment at the end of their trial period. These respondents often asserted this to be a deliberate employer strategy to get ‘free labour’. For example, a person working as a courier had been told after a two-week trial that the
business did not after all have any positions available and that he was not wanted, yet job advertisements for the same job appeared in the newspaper the very next day. Similar stories were recounted with regard to retail stores and kiosks continuously employing people on an unpaid trial basis and saying that they were not wanted at the end of their free trial. Further detailed research is required of whether this is a valid depiction of an employer practice in Ukraine, or simply a result of potential employees being inappropriate. No similar tendencies were identified in the public sector.

*Formal non-monetised labour in community-based groups*

One in four respondents had participated in formal unpaid labour in community-based groups (often called ‘formal volunteering’), with participation rates being greater in affluent than deprived communities (see Table 2). This labour practice, however, is not largely a tool used to deliver material aid. As Table 3 displays, less than 1 per cent of the common domestic services surveyed are provided through community-based groups. This is the case in all the areas studied.

Instead, and in some 90 per cent of cases where interviewees participated in such groups, the primary purpose was to receive social or emotional support. Just 10 per cent participated for the primary purpose of providing material aid to others. This raises a crucial issue. If the intention in Ukraine is to encourage the development of civil society in order to meet material needs not met by other fields of provision, such as the private or public sectors, then developing participation in community-based groups is inappropriate. Not only are they hardly ever used for such a purpose but few engaging in community-based associations do so to deliver material support to others.

*Informal non-monetised labour in community-based groups*

Sometimes those engaged in unpaid labour in community-based groups do so informally or off-the-radar of the state, such as when caring for children in a community-based group but without the required licences to act as child carer, or when operating a sporting group, community fund-raising or music event without the necessary licenses. On the whole, few such instances were identified. In future, further research could be usefully undertaken focused on this issue, especially around the paid/unpaid interface, where there seems to be some confusion amongst Ukrainian citizens surrounding whether one is less responsible, such as when caring for others children, if one is unpaid and that the various current legal responsibilities only apply to those who are paid.

**Conclusions**

Over the past decade or so, the belief that there is an inevitable, inescapable and irreversible shift towards market hegemony has been contested by an emergent ‘diverse economies’ literature. Here, the intention has been to further contribute to this approach by setting out a conceptual framework to represent the multiplicity of labour practices in economies and then analysing the types used in Ukraine through this lens. Analysing the results of 600 face-to-face interviews, this paper has revealed the shallow permeation of market practices in Ukraine. Compared with widespread participation in other labour
practices, just 26 per cent of respondents had engaged in paid formal labour in the private sector during the last 12 months.

Work cultures, nevertheless, vary socio-spatially. Not only do higher-income populations more commonly use formal market labour, but so too do populations use other labour practices to varying extents and also different combinations of labour practices to secure a livelihood. Higher-income populations are more monetised than lower-income populations for example. Meanwhile, lower-income populations more heavily rely upon community exchanges between closer social relations, both of the monetised and non-monetised variety, and non-exchanged labour. There are also socio-spatial variations in not just the prevalence but also the nature of each labour practice. Labour practices in general are more likely to be conducted out of choice in affluent populations and out of necessity in deprived populations.

This conceptual lens, therefore, enables a re-thinking of the configuration of labour practices and the lived practice of economic transition in Ukraine. Since the demise of the socialist bloc, the recurring belief has been that post-Soviet societies are in transition to capitalism. Indeed, Kostera (1995) has likened the intervention and investment to facilitate this advent of capitalism to a religious crusade, with management educators and consultants acting like missionaries spreading the cult of what Parker (2002) calls ‘market managerialism’. However, this study reveals that the diverse localities studied in Ukraine pursue a plurality of labour practices. This raises key questions. Should economic policy continue to focus on the development of formal market labour in these post-socialist societies? Or should some attempt be made to also facilitate other labour practices as either a complement or alternative to formal market labour in order to enhance the coping capabilities of these populations?

Until now, such questions have been seldom asked. As Smith and Stenning (2006: 16) state, there has been a tendency to view ‘the emergence of capitalist forms in post-socialist economies within a historicist gaze, as linear and stagiest, eradicating those that have gone before’. Few have asked whether giving primacy to formal market labour is a valid approach. However, the above reading of formal market labour as just one of many forms of labour suggests that there is a need to focus upon enabling populations to draw upon a range of possible labour practices to secure their livelihood.

However, care is needed not to read all labour practices beyond formal market labour as alternatives to the transition to capitalism. A tendency, as Samers (2005) and Leyshon et al (2003) note, has been to read the persistence and growth of these other practices as ‘spaces of hope’ (Harvey, 2000), viewing them as demonstrative of the existence of alternatives to capitalism. Before adopting this somewhat optimistic view of other labour practices, it is necessary to understand the extent to which these are chosen spaces, and the degree to which they are more spaces of survival into which people are involuntarily deposited. This Ukrainian survey reveals that even if it is appropriate to seek to destabilise formal market labour by re-reading this as just one labour practice, it does not immutably and naturally follow that it is always appropriate to automatically view all practices beyond formal market labour as resistance practices that need to be developed as alternatives to capitalism. Many, especially the poor, engage in such practices out of necessity rather than choice and in the absence of alternatives.

In sum, this paper finds that the representation of market hegemony has prevented the recognition, valuing and even developing of other (and ‘othered’) labour practices
beyond the formal market economy. In this paper, an alternative conceptual framework for capturing and ordering these multiple labour practices has been developed which portrays labour practices more fluidly showing how they are not separate discrete practices but are seamlessly entwined and conjoined. This has enabled a re-thinking of labour relations and the lived practice of economic transition in Ukraine. If it is now applied more widely to understanding the multiplicity of labour practices in not only the post-socialist world but also so-called advanced western economies and the majority (third world), then this paper will have achieved its principal intention. If this then begins to stimulate deliberation of the feasibility of, and possibilities for, alternative futures beyond market hegemony then it will have achieved all of its objectives.

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