

## **Employment Relations in Informal Sector in Lawas, Sarawak**

### **ABSTRACT**

International Labour Organization (ILO) in the 'Report of the Committee on the Employment Relationship' states that current employment relationships are increasingly complex and there is no acceptable definition to define 'employment relationships.' Various tests and criteria were established at the national level to define employment relationships. Literature review states that the basis of employment relationships as a field of study is to investigate the nature of the relationship between the employer and the employee. This study suggests that the nature of employment relationships in the informal sector can be understood using two related dimensions: First, the extent to which the employer is dependent on the employees, and vice versa; and second, the extent to which the employees have the capacity individually or collectively, to challenge the power of their employer. Based on these two dimensions, four distinct categories that reveal the nature of employment relationships in the informal sector are identified. They are 'fraternalism,' 'paternalism,' 'benevolent autocracy' and 'passive acquiescence.' The study is conducted using the qualitative approach through in-depth interviews with eight respondents in Lawas, Sarawak. The findings show that the nature of the employment relationships in the informal sector is 'benevolent autocracy' as the employer is not overly dependent on their employees, therefore the employee has a limited capacity to challenge the employer's power. This is most common in small firms where the manager or owner is not overly dependent on the employees and is able to influence the employees from a position of power. The characteristic of informal sector like family members and unregistered that causes lack of protection to workers is the main reason for creating employment relations in the informal sector. The findings of this study also describe that the concept of employment relationships are not merely bound by legalities as stated in previous studies, but that employment relationships cover the dependencies between the employer and the employee.