

# Globalization and its Impact on the Labour Movement in India

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The term globalization can be used in different contexts. The general usages of the term globalization can be interactions and interdependence among countries, integration of world economy, deterritorialisation etc. By synthesizing all the above views globalization can be broadly defined as a process whereby there are social, cultural, technological exchanges across the border.<sup>1</sup>

The term globalization was first coined in 1980's. But, even before this there were interactions among nations. But, in the modern days globalization has touched all spheres of life such as economy, education, technology, cultural phenomenon, social aspects etc.<sup>2</sup>

The term global village is also frequently used to highlight the significance of globalization and with the advent of globalization and liberalization, there has been a major policy shift in India from import substitution to export oriented growth and from a mixed economy to corporate led economic growth. These policies of liberalization are meant to remove all barriers in all possible ways to exploit nature and human labour and to promote easy transfer and the centralization of ownership of natural resources and other means of production in corporate hands. Privatization of the public sector, the opening of the economy to foreign capital liberalization of trade, the transfer of vast tracts of agriculture land to industrialists by uprooting hundreds of thousands of people and efforts to amend the labour laws to make hiring and firing smoother and easier are all parts of the policies of liberalization.<sup>3</sup>

The issue of labour law reform has emerged as one of the major focus areas on the corporate agenda. Particularly after 1990, representatives of both national and international capital, pro-liberalization economists and the national and global media in chorus started decrying existing labour legislation, as if all the problems on earth had been created by these 'rigid labour laws'. The agenda was for total reform, but the major focus targeted crucial sections of the labour laws which provide service security or ensured workers' rights in the workplace or which put an obligation on management to ensure the well-being of labour or provided any power to labour for collective bargaining or provided for routine inspections to ensure the implementation of labour laws.<sup>4</sup>

The policy of the special economic zones gone one step further in terms of realizing the corporate agenda on labour law reform. The Special Economic Zones Rules 2006 direct state governments to declare all the activities in the Special Economic Zones as 'public utility services'. Under Section 22 of the Industrial Disputes Act, 1947, 14 days notice is compulsory before employees undertake a strike or the employers lockout, in any public utility service. The powers of the labour commissioner are also delegated to the Development Commissioners of Special Economic Zones. These rules now look to be the thin edge of the wedge, spurring a major move by state governments to amend the labour laws (or exempt employers from crucial provisions) in general and specifically the laws for Special Economic Zones.<sup>5</sup>

The next move worth mentioning is that the federal government of India is coming out with a policy for establishing national manufacturing industrial zones in which labour laws will be more flexible and all national manufacturing industrial zones units will be declared public utility services on a permanent basis. For NMIZs, aspects of the labour laws proposed for review are:

- 1) Employment of women in three shifts;
- 2) Temporary status of employees;
- 3) Flexibility to downsize;
- 4) Contract Labour Abolition Act will not be applicable to units in the national manufacturing industrial zones.
- 5) Number of hours per shift;
- 6) Social security scheme for all the workers engaged in the national manufacturing industrial zones.
- 7) The right to join unions to be confined to workers drawing salary below a certain limit.

The labour law structure proposed for national economic industrial zones is very similar to that of the economic zones. If these reforms go ahead unopposed, they will have devastating impact on workers and their organizations and possibly on the Indian economy as a whole, since it will virtually turn the whole economy into a special zone economy and the labour laws will become virtually meaningless.<sup>6</sup>

## Liberalization and Impact of International Aspect in the Organized and Unorganized Sector

The ground realities show that in the years following India's independence, the Indian Trade Union Movement has remained stagnant, if not declining. Its activities have been more or less confined to the organized sector, more so to the

<sup>1</sup> [www.ilo.org](http://www.ilo.org).

<sup>2</sup> [Eujournal.org](http://Eujournal.org).

<sup>3</sup> *ibid*

<sup>4</sup> Surendra Pratap, Trade Repression in India, Asia Monitor Research Centre, [www.Amrc.org](http://www.Amrc.org).

<sup>5</sup> *ibid*

<sup>6</sup> *ibid*

public sector enterprises. Further he state ownership on the one hand and Trade Unions closeness to political parties made not only the unionization work but also made easier securing non productivity related financial benefits in the public sector establishments. With the onset of the liberalization process that included disbanding of the public sector and the coalition form of government, Indian Trade Union movement capacity to influence political leadership in securing undue demands weakened, causing the labour movement to move from one stage of marginalization to the other. Since the focus of Indian Trade Union movement was the workers in the organized sector, more so those employed in the government - owned establishments, the mass of workforce engaged in the unorganized sector remained not covered by the Trade Union movement.<sup>7</sup>

The labour laws in India do not make a distinction between the organized and unorganized sector, yet the resources of the government and Trade Unions are directed mainly towards this section of workforce. The real exploitation of the worker and his/her family takes place in the unorganized sector where unions are conspicuously absent. Of recent, the international pressure and the shift of workforce from the organized to the unorganized sector, etc., have generated renewed interest in the unorganized sector. The government has repeatedly made announcements about its intention to shift the focus of its activities towards workers in the unorganized sector.

The on - going economic reforms threaten to violate a number of human rights, viz. right to work, right to humane conditions of work, right to social security etc, besides various socio - economic rights embodied in Part III and Part IV of the Constitution of India which are also compatible with universally acclaimed human rights.

### India's Ratification of ILO'S Convention

India is a founding member of the ILO and holds a non - elective post in the Governing Body of the ILO. The ILO has influenced India in the labour sphere. India has, so far, ratified 43 Conventions. The ILO Convention/ Recommendations have played a significant role in the legal framework on wages, working conditions, welfare, social security, protection of the vulnerable section of the society, human resource development, equality, non - discrimination, etc. a tripartite committee on ILO Conventions of the Government of India overseas various aspects relating to International Labour Standards, including proposals concerning new conventions/ratification of old convention, compliance of the provisions in the ratified convention etc. the Committee, however, has been dormant for many years.<sup>8</sup>

### CONCLUSION

It is legitimate expectation that Trade Unions will appropriately take up issue of violation of various rights of workers under the labour legislations and human rights documents. Trade Unions are required to ensure industrial

democracy. The International Congress on Education for Human Rights and Democracy held in Montreal from 8 to 11 March 1993 by UNESCO adopted the World Plan of action, which specifically requires education for human rights and democracy for Trade Unions and employers among others.<sup>9</sup>

Trade Unions are the organizations or associations of workers in an industry. Their primary object is to promote the social, economic and political interests of the workers. They endeavour to promote solidarity brotherhood, fraternal feelings and inculcate in the members the feeling that individual interests should be subordinated to the collective well being of its members. They endeavour to promote protective legislation, in the sense, that they encourage legislative measures to promote workers' interests. At the same time, they strive to stifle attempts to promote legislative action which is harmful to the interests of the working class.<sup>10</sup> At the same time, Trade Unions should realize that they operate in a dynamic social environment and cannot be oblivious to the social needs of the community.<sup>11</sup>

By the introduction of the new economic policy in India, in 1991 the employers' first reaction was to demand an exit policy which would give it the freedom to hire and fire workers. There are employment securities available under the Industrial Disputes Act, 1947 to the workmen defined under it. However, written law frequently have certain lacunae. Accordingly, industrial establishments tried to wean away the non - workmen i. e. senior workmen and other white - collar workers by offering them non - monetary prestigious benefits like visiting cards, ties etc. Further, experts in Human Resource Management developed the concepts of JIT (Just - in - Time), Outsourcing, Golden Handshake, various schemes of Voluntary Retirement.<sup>12</sup>

Therefore, the role of Trade Unions in the era of globalization should be to protect and provide assistance to workers to the extent of entire basic material and other requirements of human dignity including human rights, eradication of poverty. But, the Trade Unions failed to resist such managerial practices with much effort.

At the same time "flexible" labour practices have adversely affected unionization and there has been a general decline in the strength of unions. Such development has weakened the collective bargaining machinery and there has been a general decline in the strength of unions.<sup>13</sup>

Simultaneously, there was a fall of the public sector undertakings which resulted into further decline of Trade Unionism.

<sup>9</sup> Debabrata Mukherjee, Human Rights of Working class and Awareness Programme, Aim-Pulse, 2001, p.4

<sup>10</sup> S.S. Vishweshwaraiah, Trade Unions as viable instruments for Promoting Human Rights and Social Justice, 43(JILI)(2001), pp. 339-340

<sup>11</sup> ibid

<sup>12</sup> ibid

<sup>13</sup> ibid

<sup>7</sup> www.iariw.org.

<sup>8</sup> www.globalmarch.org

However, it has been observed in the recent time that Non - Governmental Organizations have stepped in where Trade Unions have proved unsuccessful. Even, there are cases where public spirited citizens had to step in.

The ILO World Commission on the Social Dimensions of Globalization in its Report (2004) has put forward a series of suggestions in this regard. These suggestions are: acceleration of employment creation, improvement in governance to enable citizens to participate effectively in the gains of globalization for protection of the workers.<sup>14</sup>

However, the present scenario is not too much satisfactory, it may insist that since the mobilizing capacity of Trade Unions has not been substantially lost, Trade Unions may seriously consider the above suggestions put forward by the International Labour Organization (ILO).

With the rise in informalisation of the workforce in India, workers are increasingly realizing from their own experiences that only by forming Trade Unions and compelling factory management to provide space for collective bargaining they can convert informal employment to formal employment and insure better wages are now always linked with the larger issue of the formation of a trade union and its recognition. This is also reflected in the rise of independent trade Unions in India.<sup>15</sup>

On the other hand, industrialists are not ready to accept Trade Unions in their factories. They are unleashing unimaginable repression on workers and Trade Unions leaders when the efforts to form Trade Unions are uncovered in their factories. Even after the Trade Unions are formed, managements are not ready to recognize them and deny them space for collective bargaining. Trade Union leaders and workers associated with them are facing intense and large scale of victimization by managements. Multinationals seems to be at the forefront in exercising repression of Trade Unions and their members.<sup>16</sup>

It is clear that the entire machinery of government, the labour departments and police are largely acting in favour of managements and against the workers.

In such an environment, only the united action of Trade Unions in different industrial centres can guarantee the security of Trade Union leaders and success of the workers struggles in individual factories. Therefore, from their own experience, the Trade Unions in different industrial centres are forming joint Trade Union committees and councils. There are such joint committees and councils in Gurgaon, Faridabad, Rurapur - Patnagar of Uttaranchal and other manufacturing centres. These joint Trade Union committees ensure collective protest of workers in the entire industrial region when the workers or Trade Union leaders of any individual factory face any kind of repression or victimization.

<sup>14</sup> ibid

<sup>15</sup> www.librry.fes.in

<sup>16</sup> www.amrc.org

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