CHAPTER–1

Introduction, Conceptual Framework, Objectives of Study, Review of Related Literature, Hypothesis & Methodology
INTRODUCTION

1.1 Introductory Remarks

Trade unionism since its origin has been the voice for the voiceless and marginalized ones as it has been espousing their causes and fights for their protection. That is why trade unionism continues to have a strong appeal as an instrument and symbol in the search for industrial and economic democracy all over the world.

The history of the trade union movement is deeply rooted in processes of industrialization that have developed very unevenly in countries around the world since the industrial revolution. Trade unions started with the industrialization of the late 18th and the 19th centuries drew thousands of workers into its fold. The success of industry in the hundred years from 1780 was built on the exploitation of hundreds of thousands of workers who worked 14 to 18 hours a day for miserable wages in unsafe factories, and lived in bare and comfortless homes. Workers realized they could only fight ruthless employers and inhuman working conditions by banding together, and so trade unions were born - and these were fiercely opposed by the owners of industry.

As communications improved, the influence of trade unionism grew which provided it the wider scope to apply political pressure - to give working people the power to vote, to legalize trade unionism and bring in laws to improve conditions at work.

In the latter half of 19th century and exactly from the end of the 1880s a new kind of trade unionism flourished, fired by economic depression, increased social awareness, and the spread of socialist ideas and thought. This 'new unionism' reached out to a large numbers of unskilled workers, encouraged by the successes in their demands for a three-shift system which meant an eight-hour day. It differed from established trade unionism in both organization and tactics. The organizers saw the role of trade unionism as active rather than passive one.

The years before and after the First World War was a period of mounting industrial militancy when hundreds of thousands of miners, transport workers and railway workers were involved in strikes, often confronting the police and the army.

Although trade unionism continues to have a strong appeal as an instrument and symbol in the search for industrial and economic democracy, there is reason to doubt whether trade unionism shall survive next century. The trade union movement are now facing challenges from phenomena like structural adjustment packages, the exclusion of labour politics at national level, the informalisation and feminization of industry, flexibility in labour relations and casualization of work. Trade unions
themselves are highly concerned about these developments and such concerns are expressed in international and national fora.

This thesis deals with the facts from 1999 onwards extensively evaluating and examining the trends of trade unionism through desk studies, field studies, background documents and policy recommendations.

The background documents became key inputs for the preparation of this thesis. Much attention has been given to themes that have not been dealt with adequately in trade union studies: labour – market developments, patterns of industrial reorganization and aspects of labour, work in the informal sectors like construction and agriculture and formal sector like Banks and Insurance.

The thesis has attempted to make a multidisciplinary analysis of crucial factors which in essence define the space and relevance of trade union movement in Odisha*. The cases provide strong illustrations of development towards and away from democratization; these reflect the tenuous nature of the political situation in the state of Odisha as well as in India and the difficulties which labour organizations encounter. The overwhelming odds against the trade unions in political, social and economic domains are glaring. The thesis analyses the dominant trends which are currently eroding the role that trade unions can play. The industrial reorganization and new management strategies on the one hand and the destabilization of labour markets are the two most dominant factors for erosion of the role of trade unions.

As in advanced industrialised countries, national policies were of crucial importance in third world countries for the promotion of industry and for the formation and control of trade unions through industrial relations legislation. A clear illustration of this close association between trade unions and modern economic sectors has been the history of the labour movement in India which as Ramaswamy states, ‘...is intimately linked with the protectionist economic policies followed by the Govt. for forty years’ (Ramaswamy 1995).¹

In India, the labour movement could reap considerable benefits as long as Import Substitution Industrialization (ISI) strategy provided protection. As industrialization proceeded under protective conditions, gradual shifts from labour intensive industries like textiles to capital intensive ones like engineering and capital goods took place. The transformation was accompanied by changing patterns of work organization, employment creation, skill formation and international linkages through technology transfers.

* Orissa was renamed as Odisha on November 1, 2011.

The complete turnabout towards Export Oriented Industrialization (EOI) came in the 1980s, with the failure of the ISI strategy. The process was also fostered by ideological, neoliberal preferences for free markets which had a deep impact on systems of industrial relations that had developed for decades in close cooperation with the state. The availability of cheap labour, including child labour, and discriminatory treatment of women became crucial in the struggle to conquer international markets. Naturally, the oppression and control of labour organization formed an important part of this strategy of industrialization. The trade union movement in India that could earlier develop rather strongly under ISI found itself under defensive.

Industrial organization has undergone three major stages (Models): a British variant of proprietary capitalism with emphasis on owner control, American variant of managerial capitalism laying stress on the key role of management and the Japanese model of collective capitalism characterized by huge networks of firms, financial institutions, and close links with state institutions that play a crucial role in formulating and implementing legislative systems (Chandler 1977, 1990). The losing of markets to Japan and other East Asian countries was originally ascribed to their excessive exploitation of labour, and thus lower unit costs of production. Japanese successes were caused by extreme labour exploitation, illegal copying of technologies, and dumping of products in international markets.

The dynamic developments of capitalism can only be understood as the outcomes of major successive, and each time superior, innovations in organization which represent the successive stages of technological and innovative superiority rather than as the results of anonymous market forces (Lazonick 1991). The superiority of each model is expressed in the lowering of costs per unit of product and thus the conquering of national, international and ultimately global markets. Each of these models can be linked to specific characteristics of industrial relations patterns and thus trade union involvement.

The implications for the trade union movement are severe. In essence, the issue is whether an efficient and competitive economic base in Third World countries can be established at all. If not, then the labour force will remain highly fragmented in different segments of informal economies that are squeezed badly. The threat to trade unions is not only that their very economic base will be extremely difficult to establish and maintain. Through new human resource management practices, management will compete with the unions for the loyalty of Workers, as the enterprise seems to hold out the best possibility of providing them with benefits. The instruments used by the management to

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secure such deepened loyalties are well known: lifetime employment, personal commitment to the enterprise, payment systems according to results achieved and promotion to higher ranks through internal recruitment. This trend is the more threatening as medium and large enterprises will also introduce flexibilities in the work force, and in so doing reduce the number of tenured workers.

Supply versus Demand; Growth or Equity?
The second issue is the question whether trade unions hold sufficiently strong positions in labour markets to be involved at all in an effective manner in bargaining and consultative procedures. Since the trade union movements around the globe have been heavily influenced by and are still linked with the much stronger trade union movement in the advanced industrialized countries, it is important to note that there; too, major setbacks have been faced during past three decades. These setbacks relate particularly to changes in labour markets and are analyzed from a comparative perspective.

At high levels of industrialization, the labour movement's central concern in recent decades, particularly in Western Europe, has been with the shaping and implementation of welfare states and the distribution of its benefits. A high degree of employment has been the fundamental condition for this. At times of downward movement of the business cycle and even structural weakening of national economies, the state is expected to ensure that the labour force continues to receive an adequate income. Though through the welfare-state mechanism that formed an integral part of aggregate income and demand policies, the workers obtained benefits and the labour movement came to accept the societal inequalities in power structures. This well-known Keynesian approach was pursued to its limits. In Eastern Europe the welfare state associated with command economy broke down completely in late 1980s. In Western Europe also, structural changes in the economy occurred so fast that massive unemployment resulted. This trend led to fiscal crises for states while oversized and ineffective bureaucracies were no longer able to manage the welfare-state programmes in cost-effective manner.

An important indicator of the major changes in European Labour markets is the demand for migrant labour which led to the heavy drop in union membership and reduced bargaining effectiveness experienced by the labour movement.

The situation in third world countries like India has been, for the most part, far worse. Here welfare state mechanisms are largely absent while the preoccupation of policy makers with macro-economic balances has left little space to pay attention also to the creation of employment and labour–market issues. Deep imbalances have become fundamental characteristics of the labour-market in most of Asia, Africa and South and Central America. The emergence of large urban informal economies,
massive rural under-employment and new migratory patterns are vivid symptoms of the seriousness of the labour-market situation.

Due to the technological breakthroughs on the demand side and unfavourable demographic trends on the supply side, it appears that further weakening of labour-market situations is to be expected. Further a major factor of macro-economic management whether in South Asia, most of Africa or Latin America, has been a sustained adherence to structural adjustment packages. These policies have focused largely on deregulation of markets, on a laissez-faire policies towards industries to be exposed to international competition, with the risk, as Hnas Singer observe sharply, ‘.....that in a headlong rush for deregulation and flexibility of labour-markets the baby of productive employment will be thrown out with the bathwater of rigidity’ (Singer 1991: vi).

Given the much more unfavourable situation in developing countries, and with reference to decades of structural adjustment practices, Standing states the need for a new theory eloquently: ‘So we are faced with a questionable macro-economic model and a micro level analysis that is institutionally impoverished and misleading. It is time to rethink.’ (Standing and Tokman 1991: 45)

Clearly a new assessment of the labour-market situation in different parts of the world is a high priority. Findings on the functioning of the local labour-markets in the areas such as vocational training, education programmes, wage policies and policy interventions in the informal sector are related to national labour-markets to ensure that issues of employment and working conditions form an integral part of macro-economic policy formulation and then the analysis is integrated within a framework of international labour markets to understand the broader trends of development, industrialization, technological development and issues such as regional political formations and international migratory patterns.

From social and labour-market perspective, the huge variation in labour segmentation according to ethnic, religious and gender characteristics have been found to form deeply ingrained characteristics of urban labour markets (Scoville 1991). Local institutions still exercise excessive forms of control over rural workers, thereby hampering opportunities for skill formation and improvement of working conditions in rural labour-markets. The mirror image of this fossilized pattern of rural labour-markets consists of forced, circular or external migration as the only outlet for those who no longer have access to them. Another issue of strategic importance relates to the limited employment-generating

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capacity of medium and large scale industry. As the trade union movement is directly linked with these enterprises, it comes as no surprise to find that the structural adjustment, with its emphasis on market performance, international competitiveness, efficiency and cost-effectiveness, has rendered severe blows to the labour movement. Both privatization of public enterprises and the exposure of previously protected industries to international competition have posed huge threats to the survival of numerous firms; in the process, the labour movement’s very basis of existence has been deeply eroded without an alternative source of strength having been developed to replace it.

Still another issue concerns the controversy regarding labour legislation and protection of work. In the informal sector, categories of vulnerable workers are there requiring protective legislation. In addition to it poverty-related phenomena such as, child labour, excessive working hours, the absence of safety and health regulations, absence of legal protection to contractual and casualised workers are there. Under these circumstances trade unions have almost no option but to oppose structural adjustment policies which delete current systems of rights and justice in production without substituting them with any other social policy framework.

**Trade Union Studies**

Globalization is generally a network of connections of organizations and people across national, geographic and cultural borders and boundaries. Goods and services produced in one part of the world are increasingly available in all parts of the world. Economic, political and cultural activities across the world have become interconnected and individuals and nations find themselves influenced from a distance. It is a process in which activities are organized on a global, not national scale and there is interdependency of transportation, distribution, communication and economic networks across international borders.

Globalization is an imprecise term, which is used to define a series of partially interlinked economic, technological, commercial, political, social and cultural processes, which have taken shape during the last decades of the 20th century.

Globalization is the movement of capital away from legal structures within nations with a parallel reduction in national political power of corporations, and a rapid increase in levels of trade and capital mobility. It describes the emergence of a global culture brought about by a variety of social and cultural developments such as: the existence of world information systems; the emergence of global patterns of consumption and consumerism; the growth of transnational corporations; social, technological, cultural, political, and ecological spheres. With the much propagated and financially promoted Structural Adjustment Programme (SAP), Institutional Reforms Measures (IRM), Modernization in Government Programme (MGP), etc. funded by World Bank or Asian Development Bank which the Government of India and the various State Governments have

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fervently taken up, the forces of Globalization seek to restructure or demolish the pillars of a civilized democratic society that emerged upon the foundations of the great Renaissance values. With the heavily funded educational reform projects like DPEP, they venture even to pattern the mental makeup of the society so that the ground is thoroughly prepared for building up structure on a very firm footing. Not only curricula, the very educational philosophy itself are altered to suit this aim. How neo-colonial exportation without direct colonial domination is working can be to a great extent understood from here.

The case of India serves as typical example. In the more than two decades of full-fledged globalization, amalgamations, mergers, take-overs, re-alignments, etc. are now frequent happenings in the international business field in which India is one of the major players. Particularly in the African and Middle-east market, Indian finance capital has entrenched deep. Even in the advanced economies the role of Indian finance capital is not so meagre.

The policy of globalization drives out lakhs and lakhs of people from the agricultural field and make them migrant labourers who are surging in Towns and Cities and dangerously swelling the number of un-employed. The questions of modernization of agriculture on a large scale, land acquisitions in the name of development projects, the new import policy along with withdrawal of subsidies, withdrawing from state procurement through FCI’s and supporting prices for agricultural products are cumulatively causing to create an explosively large excess labour which so far belonged to the half-clad and half-fed peasantry of India. Along with it this is also observed that the millions and millions of workers are thrown out of existing jobs in industries and service sectors. Again there is also snatchng away of hard-earned and well-established rights of the workers without caring a whit.

And, as usual, the entire burden of this crisis is now being passed on to the shoulders of the working class and other exploited masses. The following facts furnished by different wings of the UNO are sufficient enough to give a picture of the fast deteriorating situation of the working people of the world: “..... about 5.1 billion people i.e. 75 percent of the world population are not covered by adequate social security”, and “1.4 billion people live on less than US $ 1.25 a day” (World Bank), 38 percent of the global population i.e. 2.6 billion people do not have access to adequate sanitation, 884 million people lack access to adequate sources of drinking water (UN-HABITAT), 9.25 million suffer from chronic hunger, nearly 9 million children under the age of 5 die every year largely from preventable diseases (UNICEF, WHO).

Contract and Contractual Systems and Outsourcing are being indiscriminately implemented world over taking advantage of acute joblessness. Consequently insecurity of jobs and reduction in regular employment has become order of the day. Engagements of child labour and youth unemployment have become rampant. After the implementation of the policy of globalization the discrimination in
respect of employment, occupation, wages, etc. has further intensified in the world. The condition of
the working class in our country under globalization is no better. Problems like unemployment,
closure, lock-outs, indiscriminate retrenchments, etc. were all there from the very beginning but after
the implementation of the policies of globalization, liberalization and privatization, all these
problems have aggravated. Crisis ridden situation is creating havoc in the life of the working people
while the owning class are resorting to multi-pronged brutal attacks on the workers. They are
resorting to indiscriminate lockouts and retrenchments, implementing 'Hire and Fire' policy,
curtailing right of 8 hours' work, jobs and job opportunities, implementing contractualization –
contractorization and outsourcing in all spheres, violating the principle of equal remuneration for
equal work. They are flouting labour laws, bungling with PF, Gratuity and ESI money and trampling
the tripartite agreements at will. The Government is allowing entry of monopoly capital – foreign
and national – even in the retail trades, thereby ousting millions of self-employed small retailers
from their livelihood. The government's policy of all-out privatization of health care, education,
electricity and even drinking water, etc. have reduced all these services to commodities. By
introducing new pension scheme the Govt. has virtually made the old age people utterly helpless.
In our country, the urge of the working people for developing movement against negligence and
deprivation through their trade unions is fast growing. But there are many hurdles also for
developing such movements. Due to the prolonged vile influence of leaders of trade unions,
economism, opportunism, reformism and legalism have become deep-rooted in the working class
movement. Another dangerous tendency which is developing in the society as a whole is also
influencing the working class movement i.e. the divisive tendencies like casteism, communalism,
regionalism and provincialism fanned up by the national as well as regional parties and social-
democratic forces for their petty parliamentary gains. To fight both these tendencies working class
requires high culture, ethical, moral values and the ideology that can truly advance working class
movement.

Globalisation has substantially influenced the nature of industrial relations (IR) policies being
followed by employers, and reduced the power of trade unions. Social scientists caution that severe
social tensions will result from acute economic inequality that will result from these policies in the
next few decades (Towers, 1997; Szell, 2001). They see a severe weakening of countervailing power
in society as well. The frameworks of IR of different organizations in the new environment are being
oriented to new business exigencies. Strategic shifts in management's approach to manage IR are noticeable at covert as well as overt levels (Venkata Ratnam, 2001; Saini, 2003). These are resulting in new types of negotiated settlements, which reflect a greater degree of employee cooperation (Venkata Ratnam, 2003). The following are challenges that trade unions are facing due to concepts of globalization of economy.

The business enterprises facing fierce international competition are seeking to exploit low-wage workers employed on short-term contracts. Such companies readily dismiss employees and transfer their operations from one place to another, seeking the least expensive location. Management, and disregards job security and the social aspects of corporate activities. Managers often try to undermine the effectiveness of government policy, evade public responsibilities, or deny trade unions benefits of industrial democracy, including labour-management consultation. All these elements provide flexibility for an industry or business enterprise.

India has, by now, gone through more than two decades of economic reforms. Beginning in June 1991, the thrust of the reform was fiscal stabilization and initiation of major structural reforms aimed at deregulation of the economy to induce accelerated investment, growth, employment and hence reduction in poverty. The Prime Minister's Economic Advisory Council in February 2001 submitted its recommendations on the next phase of reforms in agriculture, industry, trade, social infrastructure, economic infrastructure, financial sector and fiscal situation in the country. The Council recommendations included: remove all controls on the movement and stocking of agricultural commodities and allow the private sector, including the foreign investors; abolish levies on commodities like sugar and rice; lower the average import tariff from the present 34 percent to 12 percent by 2005; abolish reservation for small scale industries at least in select items of huge export potentials; abolish the requirement of government permission for closing down industrial units; increase compensation level for workers from 15 days wages for each year of services to 30 days; allow contract labour through a new law, recognizing outsourcing as a normal activity of

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8 Venkata Ratnam, 2003
companies; downsize the government by implementing the reports of the Expenditure Reform Commission; etc.

The slowing down of the industrial production, particularly, during the last five years has been a cause of major concern. The reforms were expected to result in sustained high growth in industrial production. It was expected that, in keeping with the country’s comparative advantage, the structure of investment in industry would shift from capital to labour intensive industries. It was also expected that such a shift would provide for greater profitability and earnings growth, more export oriented production and greater employment opportunities in industry. However, progress in this direction has been limited after the initial growth.

Employment growth has slowed down significantly during the reform period and the sharpest decline had been in the organized sector and in particular in the public sector due to the ongoing trimming of employees through voluntary retirement schemes (VRS) and dis-investment exercises. The pace of dis-investment in PSUs by the government increased during 2001-02, in particular after the case relating to privatization of the Bhartiya Aluminum Company.

Labour-markets in India are facing enormous difficulties in almost all aspects, rural and urban as well as public and private under the impact of globalization of our economy. Deep segmentation and large scale unemployment and under-employment have been the dominant scenario. The consequences of these widely differing patterns of industrialization, of variations in macro-economic conditions and in labour-market situations due to harsh new circumstances in place of the earlier ones before and after decolonization, when trade unions through close contacts with the governments managed to play relatively strong political roles in eking out privileged positions for their members, call for a higher priority to be given to the analysis of the economics of trade unionism by a well-defined multi-disciplinary approach which would pay adequate attention from an economic perspective to industrial relations and labour-market developments. In the past trade union structures and characteristics were defined largely in terms of national institutions and industrialization patterns (Regini 1992; Southall 1988 a and b10) and elaborate national industrial-relations systems became established around the world. Significant benefits could be obtained, considerable union densities were built up and in many situations the trade union movement was respected as a national actor. Currently, negative developments are taking place and an almost complete erosion of possible action strategies has occurred. With structural adjustment the state is no longer in a position to share benefits. Collective bargaining may still be there but any nominal wage increases are more than

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neutralized by subsequent inflationary pressures. Instead of benefits the trade unions receive messages of retrenchment, reductions in tenured employment and worsening contractual conditions. Even the trusted bonds of trade unions with their own constituencies have suffered.

The key sectors forming the traditional recruiting ground for trade unions have been mostly medium and large scale industries, banking, insurance, mining, transport sectors. In all these sectors, a number of factors such as decimation of public-sector employment, dwindling of public-sector forbidding heavily the trade unions and lack of breakthrough in to other domains like small-scale enterprises, the informal / un-organized sectors like agriculture, construction or house-hold work, have prevented trade unions from expanding on a large scale. In other words, the legitimization of the trade union movement has become an issue of concern.

In India, industrialization took place with explicit trade union exclusion from policy involvement. A relatively strong trade union movement was in no way prepared for the battering it received as a result of structural adjustment policies.

Trade unions that had been accustomed to being accepted as social partners in national-policy-making began to face an antagonistic climate as they resisted changes without formulating alternative strategies. So, traditional trade union’s strategies of involvement primarily on national issues are no longer opportune. Industrialization reaches from the global and regional to micro-enterprises and household work in the informal economy. The trade union movement shall reduce itself to a marginal societal phenomenon unless it takes up the key labour-market issues like segmentation/fragmentation, un-employment and under-employment, household work and poverty as direct challenges to combat mass poverty. The large and increasing proportion of workers who are engaged in un-organised sectors and in - various categories of informal work relations, and who are the victims of casualization of work in medium and large-scale represents a further problem to trade union recruitment. Union strength is also eroded by management successes in dividing the workforce. Trade unions derive their strength largely from tight labour-markets. Only in the context of such markets it has been possible to engage effectively the national issue of distribution, training and education and to defend the position of weak and well-defined segments such as handicapped people and young recruits. Such conditions allow for careful monitoring and targeted action programmes. National labour-markets are not monitored and steered in large parts of the world.

Labour markets are connected closely with wider geographical regions through migratory patterns. With globalization of major markets, new and significant migratory flows has become a permanent labour-market characteristic, for instance, mobility and migration in and between countries in the globe, whether temporary or permanent, forms significant aspect of labour-markets.
Therefore, it goes without saying that it becomes increasingly difficult for national trade unions to build effective strength in negotiations. New approaches are called for in times of institutional upheaval and renewal, when traditional models of union growth lose much of their explanatory power (Strauss et al., 1991:35). In the absence of coherent National Labour and Employment Policies in the country, the characteristics of local, sub-national markets that are intimately connected with regional, supra-national ones, may well have greater impact on workers than their association with probably non-existing or very weakly defined national-labour-markets. When this is the case, it calls obviously for a deep transformation of the trade union movement that is mostly oriented towards national issues.

**Nature of Data and Sources:** We refer here to information on trade union membership patterns, strike behaviour (number of workers involved, duration), layoff, lockout, unemployment, wage trends and productivity as indicators to sketch the behaviour and impact of collective labour actions. With the availability of such information over a number of years, comparative studies, namely the application of innovative quantitative methods to a field that hitherto have been highly qualitative in its methodological approaches, has been possible. A recognition of either a very long process towards convergence or even long term divergence is thus implicit in this research effort in which industrial relations are defined as social relations of production which would thus include unorganized as well as formally organized systems, rural as well as urban labour, etc. (Cox, Harrod et al. 1972: iii)

A direct focus on labour in the context of global exploitative labour - relations, in essence from a radical or Marxist origin, emerges in the late 1970s and 1980s. The work by Frobel, Heinrichs and Kreye looks at the dynamic patterns of capital accumulation in a global perspective as the premise for a newly emerging global, highly unequal (when comparing centre to periphery) distribution of production systems. These in turn lead to a global formation of labour-markets, to a ‘world market for labour power’ (Frobel et al. 1981), to controlled migratory flows and to the generation of reserved armies of potential workers, to mention only a few of the concepts that play a central role in

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this approach (ibid.; Wallenstein 1983). The focus on other categories of work such as agricultural labour, construction worker provide much information on which study has been made. Labour relations in informal production become a rapidly increasing informal sector conceptualization.

This thesis attempts, through its composition and presentation of new realities in Odisha and India, to provide an adequate framework for the investigation of current dilemmas which the trade unions are facing. It attempts to identify the significant trends, whether of a political, economic or social nature of trade unions functioning. In this way an attempt is made to test whether, through a focus on large geographical region which display commonalities in terms of economic characteristics, insights can be gained that otherwise would be given inadequate attention. Comparative and comprehensive information on three categories of indicators-basic information, labour indicators and social indicators is given in the Statistical Appendix.

Notes:

1- Industrialization also refers to modern organization in the services sectors like banking and insurance. From within a wide range of literature, we draw in particular on Lazonick (1991) as he views the role of labour to be one of the central elements in capitalist development; for the most part, the labour factor hardly figures in other studies as more than an abundant production factor, or an abstract element of human capital formation and skill development (for example Chandler 1990). See Ramaswamy (1994) on this issue of loyalty of workers.

2- On labour-market segmentations due to caste, gender and customs, see in particular Scoville (1991); for a global comparative study on structural adjustment and labour markets, see Standing and Tokman(1991). Relationships between poverty and labour market characteristics are adequately analysed in Rodgers (1989).

3- The reasons lay with the crucial role played by institutional dimensions such as the role of the state and political linkages, legal frameworks, cultural dimensions and economic institutions. The national domain then conveniently forms a common denominator with which the trade union domain can be linked methodologically.

4- Poole (1986) provides numerous arguments based on cultural, political and sociological insights for a distinction according to national patterns. Studies of aspects of trade union behavior generally place the analysis in a national framework in order to show how the institutional characteristics of, for example, 'working class culture' in Britain (Hobsbawm 1984) or wage formation, strike behaviour and employment patterns in the United States have been patterned.

5- Methodologically, because comparative labour research has admittedly benefited somewhat belatedly from the technological breakthrough in quantitative handling of huge masses of statistical information. For example how excellent databases lead to excellent studies and insights, see Vissert (1990, 1992).

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1.2 Conceptual Framework

Globalization was the result of planning by economists, business interests, and politicians who recognized the costs associated with protectionism and declining international economic integration in the post-World War II era. Their work led to the Bretton Woods conference and the founding of several international institutions intended to oversee the renewed processes of globalization, promoting growth and managing adverse consequences. These were the International Bank for Reconstruction and Development (the World Bank) and the International Monetary Fund. It has been facilitated by advances in technology which have reduced the costs of trade, and trade negotiation rounds, originally under the auspices of GATT, which led to a series of agreements to remove restrictions on free trade.

Since World War II, barriers to international trade have been considerably lowered through international agreements - General Agreement on Tariffs and Trade (GATT). Particular initiatives carried out as a result of GATT and the World Trade Organisation (WTO), for which GATT is the foundation, which have included:

- Promotion of free trade:
  - Reduction or elimination of tariffs; construction of free trade zones with small or no tariffs
  - Reduced transportation costs, especially from development of containerization for ocean shipping.
  - Reduction or elimination of capital controls
  - Reduction, elimination, or harmonization of subsidies for local businesses

- Restriction of free trade:
  - Harmonization of intellectual property laws across the majority of states, with more restrictions.
  - Supranational recognition of intellectual property restrictions (e.g. patents granted by China would be recognized in the United States)

The Uruguay round (1984 to 1995) led to a treaty to create the World Trade Organization (WTO), to mediate trade disputes and set up a uniform platform of trading. Other bi- and multilateral trade agreements, including sections of Europe's Maastricht Treaty and the North American Free Trade Agreement (NAFTA) have also been signed in pursuit of the goal of reducing tariffs and barriers to trade.
Economic globalization specifically centres on the four main economic flows that characterize globalization:

- Goods and services, e.g. exports plus imports as a proportion of national income or per capita of population
- Labour/people, e.g. net migration rates; inward or outward migration flows, weighted by population
- Capital, e.g. inward or outward direct investment as a proportion of national income or per head of population
- Technology, e.g. international research and development flows; proportion of populations (and rates of change thereof) using particular inventions (especially 'factor-neutral' technological advances such as the telephone, motorcar, broadband)

Globalization has various aspects which affect the world in several different ways such as:

- Industrial (alias trans nationalization) - emergence of worldwide production markets and broader access to a range of foreign products for consumers and companies
- Financial - emergence of worldwide financial markets and better access to external financing for corporate, national and sub-national borrowers
- Economic - realization of a global common market, based on the freedom of exchange of goods and capital.

However, the following problems are noted:

1-Poorer countries are sometimes at disadvantage: While it is true that globalization encourages free trade among countries on an international level, there are also negative consequences because some countries try to save their national markets. The main export of poorer countries is usually agricultural goods. It is difficult for these countries to compete with stronger countries that subsidize their own farmers. Because the farmers in the poorer countries cannot compete, they are forced to sell their crops at much lower price than what the market is paying.

2-Exploitation of foreign impoverished workers: The deterioration of protections for weaker nations by stronger industrialized powers has resulted in the exploitation of the people in those nations to become cheap labour. Due to the lack of protections, companies from powerful industrialized nations are able to force workers to endure extremely long hours, unsafe working conditions, and
just enough salary to keep them working. The abundance of cheap labour is giving the countries in power incentive not to rectify the inequality between nations. If these nations developed into industrialized nations, the army of cheap labour would slowly disappear alongside development. With the world in this current state, it is impossible for the exploited workers to escape poverty. It is true that the workers are free to leave their jobs, but in many poorer countries, this would mean starvation for the worker, and his/her family.

3-Shift from manufacturing to service work: The low cost of offshore workers have enticed corporations to move production to foreign countries. The laid off unskilled workers are forced into the service sector where wages and benefits are low, but turnover is high. This has contributed to the widening economic gap between skilled and unskilled workers. The loss of these jobs has also contributed greatly to the slow decline of the middle class which is a major factor in the increasing economic inequality. Families that were once part of the middle class are forced into lower positions by massive layoffs and outsourcing to another country. This also means that people in the lower class have a much harder time climbing out of poverty because of the absence of the middle class as a stepping stone.

4-The rise of contingent work: As globalization causes more and more jobs to be shipped overseas, and the middle class declines, there is less need for corporations to hire full time employees. Companies are less inclined to offer benefits (health insurance, bonuses, vacation time, shares in the company, and pensions), or reduce benefits, to part time workers. Most companies don’t offer any benefits at all. Even though most of the middle class workers still have their jobs, the reality is that their buying power has decreased due to decreased benefits. Job security is also a major issue with contingent work.

5-Weakening of labour unions: The surplus in cheap labor coupled with an ever growing number of companies in transition has caused a weakening of labor unions. Unions lose their effectiveness when their membership begins to decline. As a result unions hold less power over corporations that are able to easily replace workers, often for lower wages, and have the option not to offer unionized jobs anymore.

Supporters of free trade claim that it increases economic prosperity as well as opportunity, especially among developing nations, enhances civil liberties and leads to a more efficient allocation of resources. Economic theories of comparative advantage suggest that free trade leads to a more efficient allocation of resources, with all countries involved in the trade
benefiting. In general, this leads to lower prices, more employment, higher output and a higher standard of living for those in developing countries.

But under globalisation Income inequality exists and even grows day by day, workers have not become disease-free, Infant mortality is rampant, children in the labour force has not been reduced. The negative effects of globalization do outweigh the broad gains achieved from freer trade, when Labor loses out to Trade.

Noam Chomsky, an American linguist, philosopher, political activist, author, and professor states that the term "globalization" has been appropriated by the powerful to refer to a specific form of international economic integration, one based on investor rights. "The dominant propaganda systems have appropriated the term "globalization" to refer to the specific version of international economic integration that they favor, which privileges the rights of investors and lenders. Critiques of the current wave of economic globalization challenge directly the metrics, such as GDP, used to measure progress promulgated by institutions such as the World Bank, and look to other measures, such as the Happy Planet Index, created by the New Economics Foundation. They point to a "multitude of interconnected fatal consequences--social disintegration, a breakdown of democracy, more rapid and extensive deterioration of the environment, the spread of new diseases, increasing poverty and alienation" which they claim are the unintended but very real consequences of globalization. The critics of globalization emphasize that globalization is a process that is mediated according to corporate interests, and typically raise the possibility of alternative global institutions and policies, which they believe address the moral claims of poor and working classes throughout the globe. One of the key points made by critics of recent economic globalization is that income inequality, both between and within nations, is increasing as a result of these processes. One article from 2001 found that significantly, in 7 out of 8 metrics, income inequality has increased in the twenty years ending 2001. Also, "incomes in the lower deciles of world income distribution have probably fallen absolutely since the 1980s". A chart that gave the inequality a very visible and comprehensible form, the so-called 'champagne glass' effect, was contained in the 1992 United Nations Development Program Report, which showed the distribution of global income to be very uneven, with the richest 20% of the world's population controlling 82.7% of the world's income.

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Distribution of world GDP, 1989
In terms of the controversial global migration issue, disputes revolve around its causes, whether and to what extent it is voluntary or involuntary, necessary or unnecessary; and its effects, whether beneficial, or socially and environmentally costly. Proponents tend to see migration simply as a process whereby white and blue collar workers may go from one country to another to provide their services, while critics tend to emphasize negative causes such as economic, political, and environmental insecurity, and cite as one notable effect, the link between migration and the enormous growth of urban slums in developing countries. According to "The Challenge of Slums," a 2003 UN-Habitat report, "the cyclical nature of capitalism, increased demand for skilled versus unskilled labour, and the negative effects of globalization — in particular, global economic booms and busts that ratchet up inequality and distribute new wealth unevenly — contribute to the enormous growth of slums."

Even supporters of globalization are highly critical of some current policies as, in particular, the very high subsidies to and protective tariffs for agriculture are given in the developed world. For example, almost half of the budget of the European Union goes to agricultural subsidies, mainly to large farms and agricultural businesses, which form a powerful lobby. Japan gave 47 billion dollars in 2005 in subsidies to its agricultural sector, nearly four times the amount it gave in total foreign aid. The US gives 3.9 billion dollars each year in subsidies to its cotton sector, including 25,000 growers, three times more in subsidies than the entire USAID budget for Africa’s 500 million people. This drains the taxed money and increases the prices for the consumers in developed world; decreases competition and efficiency; prevents exports by more competitive agricultural and other sectors in the developed world due to retaliatory trade barriers; and undermines the very type of industry in which the developing countries do have comparative advantages. Tariffs and trade barriers, thereby, hinder the economic development of developing economies, adversely affecting living standards in these countries.

The main opposition is to unfettered globalization guided by governments and what are claimed to be quasi-governments (such as the International Monetary Fund and the World Bank) that are not held responsible through transparent or democratic processes by the populations that they affect and
instead respond mostly to the interests of corporations. Many conferences between trade and finance ministers of the core globalizing nations have been met with large, and occasionally violent, protests from opponents of "corporate globalism."

Union leadership is often criticised for pursuing limited goals (self-interest and politically motivated behaviour) even sacrificing the larger interests of the members. Moreover, the larger society often perceives unions as institutions which only protect the unproductive work force, hence characterised as institutions with no social responsibilities. Unions are increasingly seen as mere pressure groups confined to narrow interests of small sections of the workers in the organised sector, while the millions in the unorganised sector remain neglected. There is little evidence to suggest that trade unions are changing their agenda beyond wage bargaining. Technological up-gradation, retraining, skill up-gradation, professional growth etc. have not as yet become important issues for trade unions in India.

The globalized world in general and the post-1991

India in particular have experienced important developments in terms of more liberalised economy, greater thrust on privatisation, introduction of new technologies, organisational changes, and above all, a new awareness about competitiveness, quality and service among the consumer. These changes and developments have in turn introduced new challenges for the employer and products/services. In an increasingly competitive environment, quality, productivity, and cost saving measures have become extremely important for survival. In the new environment of a demanding, quality conscious consumer/market driven economy, trade unions will need to re-examine their roles, responsibilities and strategy.

There is an urgent need to understand and appreciate the crisis of confidence that is facing the trade union movement today. Detailed investigations at local levels can certainly throw up important findings on the challenges and future of trade unions. Specific focus on the response of trade unions to globalisation, competitive and customer driven market reality has thrown valuable insight on the role and relevance of trade unions in the 21st century. Findings indicate that union membership had halved during early capitalist transformation; bearing in mind that this survey covered unionised enterprises, this must underestimate losses within the active labour force as a whole. Sectors with lowest union affiliation, such as Construction, also showed the greatest growth. Open confrontation was rare everywhere suggesting that few unions challenged management, and endorsing the general view that unions do not oppose the restructuring process.

Findings indicate a more deregulated working environment in terms of hours and contractual arrangements in India. This reflects the greater legal employment deregulation in the country and unions' inability to challenge this with workplace collective bargaining. Over half the enterprises
covered by collective agreements in India on job security, and improvements on the labour code in paid leave and shorter working hours, but 40 per cent also with agreements underscoring employment flexibility. India appears to have poorer employment and social protection, and also greater agreed flexibility. Where national legislation has deregulated the working environment, fragmented workplace bargaining has insufficient strength to challenge it.

In a study by Hiers and Kuruvilla in 1997, they discuss the changes in the industrial relations in India and bring out the following dimensions:

- Collective bargaining in India has mostly been decentralized, but now in sectors where it was not so, are also facing pressures to follow decentralization.
- Some industries are cutting employment to a significant extent to cope with the domestic and foreign competition e.g. pharmaceuticals. On the other hand, in other industries where the demand for employment is increasing are experiencing employment growths.
- In the expansionary economy there is a clear shortage of managers and skilled labour.
- The number of local and enterprise level unions has increased and there is a significant reduction in the influence of the unions.
- Under pressure some unions and federations are putting up a united front e.g. banking.
- Another trend is that the employers have started to push for internal unions i.e. no outside affiliation.
- HR policies and forms of work are emerging that include, especially in multi-national companies, multi-skills, variable compensation, job rotation, etc. These new policies are difficult to implement in place of old practices as the institutional set up still needs to be changed.
- HRM is seen as a key component of business strategy.
- Training and skill development is also receiving attention in a number of industries, especially banking and information technology.

Keeping in view the above analysis, it is quite evident that the industrial system right now is trying to shift from the old system to the new. In the process, it is experiencing tension between the workers who are trying to keep jobs and the employers who are trying to achieve flexibility so as to cope with the domestic and international market competition.

It is in this context, labour laws are key to reforms. The govt. of India has set up a reforms cell in the labour ministry to carry out a major revamp of the laws considered by industry as complex and archaic. A major task is said to be clubbing of 44 labour laws into five codes pertaining to wages, industrial relations, social security, welfare, safety and working conditions and employment training.

But in the labour circle, there is a fear that government is contemplating flexibility in employment which would in the opinion of employees make dismissal and retrenchment easier. The entire labour
reform is understood simply as adoption of what is called ‘hire and fire policy’, common in the developed western world.

The Supreme Court has strongly disapproved the policy of hire and fire adopted by a number of employers, both public and private-and also approved by some courts in the name of globalisation. It held that this policy ignored the fundamental as well as the constitutional and human rights of the workers. Dealing with a retrenchment case in 2009, the Supreme Court noted, “It needs no emphasis that if a man is deprived of his livelihood, he is deprived of all the fundamental and constitutional rights and for him, the goal of social and economic justice, equality of status and opportunity, the freedom enshrined in the constitution remains illusory.” The judgement expressed that the approach of the courts must be compatible with the constitutional philosophy of which the Directive Principles that speak of justice to workers form an integral part.

Hire and fire policy obviously devised to suit exclusively the requirement of industry may help promote investments. But is India with a large section of BPL people and larger middle classes struggling under inflation ready to adopt such a policy, is a big question. Presently Indian workers are protected by law against sudden retrenchment.

The essence of labour law reforms as understood by the employees is withdrawal of protection for labour gained over a long period of struggle. For their very existence and “decent work” in the Indian economic and social environment, employees depend on protective regulations. “Decent work” is a term introduced by the ILO in 1999. Its goal is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Its four major pillars are opportunities for work and income, respect for rights at work, social protection and strong social dialogue.

India has practically no social security scheme with the exception of the much publicised food security for the starving and subsidies for some essential items. Ever increasing price levels are hitting severly all economic classes except the highly affluent and the privileged VVIPs who are eligible to enjoy things for a normal price.

The contract labour system considered a social evil by the First National Commission on Labour in 1969-has become the main strategy for making labour market flexible under LPG (liberalisation, privatisation and globalisation). It has invaded both public and private sectors. Informal sector has expanded which employ casual and contract workers. Labour rights are practically denied to contract workers whose number is fast increasing. They are in the forefront of labour unrest in many concerns. Regulation of contract labour must form part of labour reforms to remove scope for exploitation of labour.
On the whole, India's predicament with employer-employee relationship is unenviable. Labour reform suspected to be capital-friendly will be strongly resented and will revive working class movements unless they address the travails of all sections of labour - organised, un-organised and self-employed.
1.3 Objectives of the Study

The last two decades have witnessed a number of changes in the global business environment in the form of redefined national boundaries, the emergence of the World Trade Organization (WTO), the changing world economic order, and so on. The changing pattern of the international division of labour is making its impact on the international labour market, and the bargaining power of trade unions in the capitalist world is capable of turning capitalist societies of wage earners into societies of partner nations (Hong, 1999). It has thus become necessary to study the impact of all these changes called in one word ‘globalisation’ on the industrial relations of particular organisations. Keeping this in mind, this study considers the roles of trade unions in India and in Odisha in changing the business environment at a broad level, and specifically focuses on the functioning of sector-level trade unions. The organisations studied here are banking and insurance industries in organized sector and Agricultural and Construction sector in un-organized sector of Odisha, India.

The objective of the thesis is to capture the changing paradigms concerning the roles of trade unions, which have evolved from its earlier traditional value-based and ideologically oriented existence of maintaining a good industrial relations except occasional confrontations in principle, once considered to be their primary role, to actively improving the quality of life of workers, a role considered earlier to be secondary.

This is an exploratory study of the different trade unions functioning in the above mentioned specific industries and also to highlights their ideologies, objectives and structures. Inferences drawn in the study are made on the basis of structured interviews conducted with the Office Bearers and members of the unions operating there, as well as with the Management Executives/Employers/Contractors of different sectors and the responses made by them to a set of Questionnaire. Secondary sources of data include various surveys like NSSO, Social and Economic Surveys, publications of annual reports, Census Reports, monthly newsletters and other publications. We have used quantitative data for statistical analysis in this thesis to reach at scientific conclusions on so many areas.
1.4 Review of Related Literatures

An attempt is made here to review the related available literature, organise and classify them, for the purpose of convenience, into three groups. First, studies on trade unions having international coverage, second, studies based on globalization, thirdly, relevant studies relating to trade unionism in the context of India, and Odisha.

Marx\textsuperscript{13} and Engels consider trade union solely as the organ of class struggle and it cannot progress or establish socialism. They explained that union is the instrument to oppose capitalists and to carry on the economic struggle of workers, the first step in bringing out a classless society. The unions should be rendered guidance and the workers should be taught the revolutionary role of working class. "The first step in the revolution by the working class is to raise the proletariat to the position of ruling class to win the battle of democracy".

According to Webbs\textsuperscript{14}, trade unionism "is not merely an incident of the present phase of capitalist industry but has a permanent function to fulfill in the democratic state". They not only advocate peaceful parliamentary reform to achieve socialism but also express that society must accept industrial or economic democracy. "The trade union of the future will, therefore, be co-existive with its craft, national in its scope, centralised in its administration and served by an expert officer staff of its own". They hope for the spread of democratic relations to industry, including economic and political decision making. For them, the goal of trade unionism is to democratize industry within the framework of the present social order.

Marx views Union only as an instrument to establish a proletariat society with the guidance of intellectuals, while Webbs' theory stresses the democratic aspect of unions and inside leadership. Hoxies'\textsuperscript{15} theory presupposes the presence of outside leaders who possess necessary competence, skill and knowledge to guide the union for its effective functioning.

Further, Aristotle\textsuperscript{16} expresses that democratic government is possible only in middle class societies. His views imply that democracy is possible only in rich countries where large middle class and comparatively well-educated and well-aid working class exists. Gandhi who himself helped found a union in 1918, wrote in 1921: "The political situation too is beginning to affect the labourers of

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\textsuperscript{16} Aristotle, \textit{The Politics}, Vol. IV, 1902, pp.3-6.
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India. And there are not wanting labour leaders who consider that strikes may be engineered for political purposes. Gandhi was opposed to the infusion of nationalist politics into the labour movement. He wrote: "It does not require much effort of the intellect to perceive that it is a most dangerous thing to make political use of labour until labourers understand the political conditions of the country and are prepared to work for the common good." Gandhi placed before the trade union the purpose of raising "the moral and intellectual height" of labour and thus make it capable not merely of bettering its material condition, but also of becoming master of the means of production instead of being a slave to it.

According to K.B.K. Singh, "For Gandhi, equality, justice and liberty are fundamental values through which a perfect social order can be attained and established." In consonance to these values Gandhi cherished the ideal of Sarvodaya and Ram Rajya society. In such a society there shall be no place of inequality, exploitation and injustice. Gandhi warned labour to reject the principle that "might is right" and to uphold the dictum that "Truth alone conquers, that truth knows no mishap, that the strong and the weak have alike a right to secure justice."

If the current situation poses a challenge to the organised labour movement it also requires a more robust response from critical social thought than we have seen until now. At one level the current crisis of capitalism vindicates the traditional Marxist reading of capitalism and its contradictions. This has been recognised across the political spectrum – albeit grudgingly – since the outbreak of the global crisis in 2007. Since the last major crisis of capitalism in the 1930's the world system has embarked on two major policy regimes. Keynesianism led to the Bretton Wood 'embedded liberalism' (Ruggie 1984) regime which lasted until approximately 1975; allowing for market allocation of resources but constrained by the political process and allowing for social need. This was followed by the neo-liberal 'efficient market hypothesis' (Farmer and Lo 1999) which provided the rationale for globalization and the extension of a new economic order across the globe.
Polanyi – coming out of the European socialist tradition but also influenced by Christian thinking – developed a bold new paradigm of capitalist development following the Second World War. While much of his analysis of capitalist development is recognisably Marxist he departs from this analytical tradition in several key ways. His broad sweeping ‘double movement’ thesis – market deregulation followed by society protecting itself – captured the mood that neo-liberal globalization had its limits. Protests against environmental degradation, movements against ‘free trade’ agreements or struggles against factory closures could find a unifying thread here.

Against the class reductionism still present in much of Marxism, Polanyi argued that only a perspective from above that of a particular social class could be successful in articulating a counter-movement. Finally, Polanyi argued explicitly against Marx that labour was not a commodity: ‘Labour is only another name for a human activity which goes with life itself ....

It cannot be shoved about, used indiscriminately, or even left unused without affecting also the human individual who happens to be the bearer of this peculiar commodity’ (Polanyi 2001:75- 76).

It is in relation to de-commodification that Polanyi probably provides his most powerful strategic insight into current movements beyond neo-liberalism. The socially disembedded self-regulating market will inevitably be challenged by the self-protective tendencies in society. Thus, for example, according to Polanyi the function of trade unions was not to get a higher price for the commodity of labour but, rather, ‘that of interfering with the laws of supply and demand in respect of human labor, and removing it from the orbit of the market’ (Polanyi 2001: 186).

We have availed the knowledge contributed by various scholars on trade unions, state interventions, labour markets, challenges facing trade unions, industrial relations in India and recent literatures on globalization.

In particular, we have been enriched by Henk Thomas’ edited book on “Globalisation and third world trade unions- the challenge of rapid economic progress.”

They have discussed the process of erosion of trade unions, differentiated trajectories of state interventions, social development, labour markets and industrial relations.

We have derived inspiration from the paper of Dark Kruight Frits on “Latin American Development Model and Labour” where he has discussed trade unions and socio-political relations, Domestic consolidation and State labour Relations and informalization and New labour Organizations in Latin America.

We have taken several ideas from the study of Patricio Ruiz-Tagle who has presented his research paper on the “Market economics and Decentralization in Chile.”

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Freek Schip Horst has given a beautiful analysis on African Trade Unions with emphasis on future trends for the trade unions in Africa citing the different impact of the crisis on trade unions. He has also described the emergence of the civic society as a new place of Unions in Zimbabwe.

H. Desoto’s book on “The Other Path (the Invisible Revolution in the Third World)”, Harper and Row Publishers, New York, 1989 has produced his thesis where he has recommended the Legal Institutions which are associated with the formal sector of medium and large scale enterprises should be broken down. According to him, such a policy supposedly will free the full potential which is available in the informal economy in labour sector.

Lipton, in 1994, provides an important analysis of the relationship between the poverty and the labour issues in his paper “Growing Points in Poverty Research: Labour Issues”, International Institute of Labour Studies, Geneva.

Rees, T, 1992 Women and Labour Market Routledge, London, provides an insight on the women and trade union movement, the problems of job creation and poverty eradication of women in Third World countries.

Turn Ham, D., has discussed in his paper “Employment Creation and Development” where he has emphasized on role of Labour Market and advised the UNDP to provide job securities to the labourers, 1994.

Anton Pannekoek, in his Article on “Trade Unionism (1936)” has narrated how labour leaders stand beside the capitalists in their common fear of the workers' rebellion.

We have been benefitted from the recently released book ‘Globalization Unmasked-Imperialism in the 21st Century’ jointly by James Petras and Henry Veltmeyer both Professors of Sociology and in International Development Studies where they contend that ‘globalisation’ is little more than imperialism in a new form and argue that the ‘inevitability’ of globalization and the adjustment and submission of peoples all over the world to free market capitalism depends on the capacity of the dominant and the ruling classes to bend people to their will and convince people that their interests are the people’s interests. They say, a key element in theorizing about globalization and in organizing to resist it is an understanding that the globalization is propagated not to bring a better and more just world to the masses of the people but, as has always been the case with imperialism, to advance the interests of those who already enjoy power and privilege.

Noam Chomsky, the world-renowned dissident on the above book says, “This impressive Study lives up to the promise of its title. With careful conceptual analysis and rich empirical evidence, the authors present a powerful and persuasive argument that the anodyne rhetoric of ‘globalisation’, 'market', 'democracy', and other pleasant and apparently neutral terms, conceals realities that are far better understood within the framework of imperialism and class conflict. Their wide-ranging and
penetrating inquiry yields much insight into the core structural features of the evolving forms of domination and control, their severe human costs, and the popular resistance engendered. It is a contribution of unusual value for those who hope not only to understand the world, but also to change it, drastically for the better."

Noam Chomsky, professor, linguist, philosopher and political analyst and David Barsamian, producer of the award-winning syndicated radio programme Alternative Radio in their just released book 'Propaganda and the Public Mind' have offered insights into the institutions that shape the public mind in the service of power and profit.

In his latest interview collection, while discussing U.S. military escalation in Colombia, the attack on Social Security, the rise of Health Maintenance Organizations, or growing inequality worldwide, Noam Chomsky shows how ordinary citizens, if they work together, have the power to make meaningful change.

We have got ample ideas from Sadahiko Inoue, Rengo Institute for Advancement of Living Standards, Tokyo, who in his discussion papers “Japanese trade unions and their futures: Opportunities and challenges in an era of globalization” published by ILO (International Institute for Labour Studies) Geneva, 1999, has discussed vividly how trade unions in Japan face challenges and how they continue with change in an environment of market doctrine.

Immense benefits have been derived from Richard Hyman, who in his Discussion Papers on “An emerging agenda for trade unions?” has highlighted the changing environment of labour and unions and the responses of trade unions to these changes.

“Globalization” refers to the reduction of tariffs, taxes and other impediments to trade among nations and “economic globalization” refers to the ensuing integration of markets. The process of globalization has dramatically increased the mobility of capital across national borders thereby increasing the interdependence of developed and developing countries and creating intensified competition across a broad range of markets -- especially labour markets.24

Globalization has been a major factor behind significant changes in the employment and labour relations systems of both developed and developing nations on such basic characteristics as wage levels, labor deployment and labour standards.25 While there is a substantial literature on multinational firms’ global human resource management practices, there has been much less focus on the effects of these practices on workers in different national contexts. The management literature

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shows clearly that the dominant human resource management approach involves a search for flexibility – both numeric and functional - but also involves a concerted effort to escape or circumvent the regulatory employment frameworks achieved by trade unions and their political allies during the 20th century. The result is a worldwide decline in the number of workers in the primary labor market with "standard" employment – stable, long term employment with a single employer and covered by various legal and social protections - and accompanying increases in the secondary, informal and illegal labour markets.26

However, because there are significant differences in nations’ level of development and their industrial relations systems, the specific effects of globalization vary from country to country and one of the most significant differences among nations’ industrial relations systems is the legal framework defining which workers’ are eligible to exercise freedom of association rights to form or join trade unions for the purposes of representing their interests in the employment relationship and/or in the broader economic policies of the nation.

We find in so many literatures that Trade Unions today face many challenges as a result of a quarter century of neo-liberal globalisation and its resultant decomposition of labour. Migration – the free mobility of labour – has traditionally been seen as a problem for trade unions. Migrant workers have been seen as undermining well established labour norms and, for that matter, a ‘difficult to organise’ sector.

"Unions and Collective Bargaining" is a comprehensive, reference book which evaluates the economic effects of unions, and collective bargaining. This book provides a detailed survey, and synthesis of the economic literature on trade unions, and collective bargaining, and their impact on micro- and macro-economic outcomes. It shows the effects of collective bargaining in different country settings and time periods. The economist Joseph Stiglitz argues that markets suffer from informational inefficiency and the presumed efficiency of markets stems from the faulty assumptions of neo-classical welfare economics, particularly the assumption of perfect and costless information, and related incentive problems. Neo-classical economics assumes static equilibrium and efficient markets require that there be no convexities, even though convexities are pervasive in modern economies. Stiglitz’s critique applies to both existing models of capitalism and hypothetical models of market socialism. However, Stiglitz does not advocate in replacing markets, but states that there is a significant role for government intervention to boost the efficiency of markets. Robin Hahnel and Michael Albert claim that "markets inherently produce class division." Albert states that even if

everyone started out with a balanced job complex (doing a mix of roles of varying creativity, responsibility and empowerment) in a market economy, class divisions would arise. He states "(...)" Without taking the argument that far, it is evident that in a market system with uneven distribution of empowering work, such as Economic Democracy, some workers will be more able than others to capture the benefits of economic gain. For example, if one worker designs cars and another builds them, the designer will use his cognitive skills more frequently than the builder. In the long term, the designer will become more adept at conceptual work than the builder, giving the former greater bargaining power in a firm over the distribution of income. A conceptual worker who is not satisfied with his income can threaten to work for a company that will pay him more. The effect is a class division between conceptual and manual laborers, and ultimately managers and workers, and a de facto labour market for conceptual workers (...)."

David McNally argues that the logic of the market inherently produces inequitable outcomes and leads to unequal exchanges, arguing that Adam Smith's moral intent and moral philosophy espousing equal exchange was undermined by the practice of the free markets he championed. The development of the market economy involved coercion, exploitation and violence that Adam Smith's moral philosophy could not countenance. McNally also criticizes market socialists for believing in the possibility of "fair" markets based on equal exchanges to be achieved by purging "parasitical" elements from the market economy, such as private ownership of the means of production. McNally argues that market socialism is an oxymoron when socialism is defined as an end to wage-based labour.

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We have been benefited from the various Government Reports on Labour and Industrial Relations, Job and Health Securities of the labourers under different Five Year Plans. They have been acknowledged at the respective Chapters of my Research Work.

Karl Polany in 1994 made a prophetic statement, "to allow the market mechanism to be the sole director of the fate of human beings and their natural environment would result in the demolition of society."

U. S. economist Paul Streeten had said, "Perhaps the most serious problems arise...not from market failure but from market success if the signals propagated by the market are based on a very unequal distribution of land, other assets, and income, it is market success in responding to these signals that causes trouble."
Samir Amin has pointed out, “In most Third World countries, the Public Sector has not only carried out pioneering tasks which are beyond the capacity of the local or the foreign private sector but, in some cases, through the substitution of public monopolies for private ones, has, for example, helped finance accumulation and correct income distribution.” (Capitalism in the age of Globalisation – The Management of contemporary society)

The Permanent People’s Tribunal held in Berlin, September 26 to 29, 1988 on the policies of the International Monetary Fund and the World Bank has noted, “The enforced privatization and disinvestiture programme by the IMF and the World Bank have already increased unemployment and will do so in the future on an even larger scale. The programmes can only result in a massive takeover of the most productive economic sectors by multinational companies. The basis for economic planning by Third World Governments will thus be increasingly undermined.

The testimony of victims at the Tribunal showed these effects in more graphic terms. Cuts in real income are mostly imposed on people already living close to the brink of survival. Austerity measures strike ordinary working people with particular force. In Mexico, a 70% increase in open unemployment, concentrated largely among younger workers, occurred between 1981 and 1984.

The grand design of capital as spelled out by one of its captains George Sores- “The capitalist system can be compared to an empire that is more global in its coverage than any previous empire. It is not a territorial empire because it lacks sovereignty and the trappings of sovereignty; indeed the sovereignty of the states that belong to it is the main limitation on its power and influence. It is almost invisible because it does not have any formal structure. Most of its subjects do not even know that they are subjected to it, or more correct, they recognize that they are subjected to impersonal and sometimes disruptive forces but they do not understand what those forces are. It has a centre and a periphery just like an empire and the centre benefits at the expense of the periphery.” The sinister portent of colonization without physical occupation through a process of auto colonization is staring the Third World in their face.

One off shoot of globalization is privatization. Privatization as it is understood in the late 20th century was a by-product of the new liberal response to the oil price rise of the seventies and the slowing down of the rate of profits after the post war boom. The operational part of the policies are – competition through financial and currency deregulation, rapid trade and investment liberalization, use of monetary rather than fiscal policy to manage demand especially high interest rates, cuts in taxes to corporations and the high income groups, cuts in public expenditure, replacement of administrative regulation with market mechanism. These policies assumed theological dimensions in the Church of World Bank and IMF. The Bretton Wood twins have through structural adjustment loan conditionalities imposed these policies in the Third World.

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Richard Freeman (2005), ‘From the Webbs to the Web: The Contribution of the Internet to Reviving Union Fortunes’, in Susan Fernie and David Metcalf (eds) has said, ‘By drawing attention to important social problems and trends, Richard Freeman has greatly extended the range of issues addressed in modern labour economics. His analyses of inequality and discrimination, the role of unions and the welfare state are extremely valuable for the understanding of effective labour market policy.’ In various studies, Freeman has proven that unions perform multiple economically valuable functions which reach far beyond their role in wage bargaining. These contributions, which are among Freeman's most influential research, have revolutionised the perception of trade unionism in modern labour economics.'

‘In light of globalised markets and international competition, the trade unions' strategies should not be confined to achieving higher wages. According to Freeman, modern unions must also provide a direct channel of communication between workers and management and act as an intermediary to protect employment and foster the creation of new jobs.’

‘By serving as an institution of collective voice, unions contribute to a higher level of job satisfaction and improve workers' loyalty to the firm. Freeman has demonstrated that union influence not only reduces absenteeism but also promotes long-term employment relationships by lowering the number of quits. This reduction in labour turnover lowers hiring and training costs. More importantly, it increases productivity by creating incentives to invest in workers' education and skill enhancement.’ ‘In this respect, trade unions who act constructively are of vital importance to overall economic performance.

Freeman's research shows that non-dogmatic unions can play a significant role in today's labour markets. It should encourage union leaders to be more aware of their key responsibility for the economy as a whole.’

Friedrich Hayek argued that the effect of union activities to influence pricing is potentially very harmful, making the market system ineffective. By causing wage increases above the market rate, unions increase the cost to businesses, causing them to raise their prices, leading to a general
increase in the price level. Austrian economists such as Robert P. Murphy, however, dispute this, arguing that the increase in the cost of labour simply means that less of other goods can be bought. He writes: 'If unions succeed in wage hikes, and employers raise the prices they charge consumers to maintain their own profit margins, and the supply of money remains the same, then something else has to "give." Either the prices of goods and services in no-union sectors have to fall and offset the union sector hikes, or people's cash balances need to fall, in terms of their purchasing power.'

Advocates of unions claim that the higher wages that unions demand can be paid for through company profits. However, as Milton Friedman pointed out, profits are only very rarely high enough. 80% of national income is wages, and only about 6% is profits after tax, providing very little room for higher wages, even if profits could be totally used up. Moreover, profits are invested leading to an increase in capital: which raises the value of labour, increasing wages. If profits were totally removed, this source of wage increase would be removed.

Milton Friedman, advocate of laissez-faire capitalism, believed that unionization (as well as the minimum wage) frequently produces higher wages at the expense of fewer jobs, and that, if some industries are unionized while others are not, wages will decline in non-unionized industries.

V. I. Lenin wrote that trade unions were "a tremendous step forward for the working class in the early days of capitalist development, inasmuch as they marked a transition from the workers’ disunity and helplessness to the rudiments of class organization" (V. I. Lenin, Poln. sobr. soch., 5th ed., vol. 41, p. 33).

Marx observed: “If the trade unions are required for the guerrilla fights between capital and labour, they are still more important as organized agencies for superseding the very system of wage labour and capitalist rule” (in K. Marx and F. Engels, Soch., 2nd ed., vol. 16, p. 200).

Some early Social Democrats were also sceptical of trade unionism. Usual criticisms were that unions split workers into sections rather than organising them as a class; that they were dominated by relatively privileged skilled workers who were mainly concerned to defend their sectional interests; and that industrial action and organisation were incapable of bringing about fundamental social change. H. M. Hyndman of the Social Democratic Federation summed up some of these views when he wrote in The Historical Basis of Socialism in England (1883):

"Trade Unions ... constitute an aristocracy of labour who [are] ... a hindrance to that complete organisation of the proletariat which alone can obtain for the workers their proper control over their own labour ... Being also ... un-sectarian and un-political, they prevent any organised attempt being made by the workers as a class to form a definite party of their own, apart from existing factions, with a view to dominate the social conditions – a victory which ... can only be gained by resolute political action.”
Hyndman went on to urge workers to devote "the Trade Union funds wasted on strikes or petty funds" instead to the building up of a strong Socialist Party on the German model. Other social democrats however were more convinced than Hyndman of the utility of Trade Union action.

**Left Critiques of Trade Unionism**

The political left is often associated with support for trade unionism. However, some groups and individuals have taken a less positive view. In the nineteenth century, a belief in the iron law of wages led some socialists to reject trade unionism and strike action as ineffective. In this view, any increase in wages would lead manufacturers to raise prices leaving workers no better off in real terms. Karl Marx wrote a pamphlet, Wages, Price and Profit, to counter this idea, which had been put forward in the International Workingmen's Association by a follower of Robert Owen.

Trade unionism is criticised by those of council communist and left communist tendencies. Here, trade unionism is seen as being more useful to capitalists than to workers, and as a kind of "safety-valve" that helps to keep working-class discontent within reformist channels and prevent it from evolving into revolutionary action. They think the government to be the ultimate union to where all workers in the country belong; private unions can go against that. In contrast to other left critiques of trade unionism, these tendencies do not accept that the problems they identify could be remedied by changing the structure, leadership or objectives of trade unions. Instead, they argue that trade unionism is inherently reformist and that revolutionary action is possible only if workers act outside trade unionism through workers' councils or other channels.

There is also a philosophical difference between the craft unionism of many AFL-type unions (American Federation of Labour), and the industrial unionism of organizations such as the Industrial Workers of the World. Industrial unionists decry a practice that they call "union scabbing," in which craft unionists are required by the no-strike clause in their contracts to cross the picket lines of other unions.

Since the publication of the *History of Trade Unionism* (1894) by Sidney and Beatrice Webb, the predominant historical view is that a trade union "is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their employment." Karl Marx described trade unions thus; - “...the value of labour-power constitutes the conscious and explicit foundation of the trade unions, whose importance for the working class can scarcely be overestimated. The trade unions aim at nothing less than to prevent the reduction of wages below the level that is traditionally maintained in the various branches of industry. That is to say, they wish to prevent the price of labour-power from falling below its value” (Capital V1, 1867, p. 1069).
A modern definition by the Australian Bureau of Statistics states that a trade union is "an organization consisting predominantly of employees, the principal activities of which include the negotiation of rates of pay and conditions of employment for its members."

Yet historian R.A. Leeson, in *United we Stand* (1971), said: 'two conflicting views of the trade-union movement strove for ascendency in the nineteenth century: one the defensive-restrictive guild-craft tradition passed down through journeymen's clubs and friendly societies,... the other the aggressive-expansionist drive to unite all 'labouring men and women' for a 'different order of things'.

Recent historical research by Bob James in *Craft, Trade or Mystery* (2001) puts forward the view that trade unions are part of a broader movement of benefit societies, which includes medieval guilds, Freemasons, Odd fellows, friendly societies, and other fraternal organizations.

The 18th century economist Adam Smith noted the imbalance in the rights of workers in regards to owners (or "masters"). In *The Wealth of Nations*, Book I, chapter 8, Smith wrote: "We rarely hear, it has been said, of the combination of masters, though frequently of those of workmen. But whoever imagines, upon this account that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit, but constant and uniform combination, not to raise the wages of labour above their actual rate."

The book showcases a number of examples of how trade unions have improved the situation of workers by enlarging the labour agenda and cooperation at international, transnational and national levels, as well as through their alliance-building with other civil society groups. The challenges of globalization can only be met if the trade union movement continues to address new issues and adapt its organizational structures accordingly.

Akua O. Britwum and Pim Martens' studies on trade unions, especially those of the political economy approach, reiterate the importance of trade unions in arresting the excesses of globalization, such as the threat to the environment and increasing global poverty. They also underscore trade unions' pivotal role in the search for alternative development strategies. The ILO asserts union’s role as an important tripartite workplace social partner in its efforts to ensure that globalization is fair to all. Unions’ role in the solution for world development concerns come at a point in time when the positive benefits of globalization are being questioned in several sectors. The growing amount of literature on the social dimensions of future prospects of globalization shows that

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many are wary of the so-called benefits of globalization. Development theories, be they "... conservative, modernisation... or dependency theory ..., conceived development as national development" and the nation state constituted the prime focus of national decisions and actions. Nation states set out their priorities for resource use on the basis of some set assumptions about how development should proceed. These priorities set the framework for resource use for production and consumption and citizens' mode for accessing needs. Present notions underlying neo-liberal economic development as are being pushed through globalization, re-conceives development as national competitiveness within the global market place. The object of production under globalization is primarily for international markets not for national consumption. This shifts the focus of development from the national to the global, while the State's space in production gets contracted to private enterprises. Neo-liberal policies absolve the state of its traditional responsibility towards welfare provisioning.

At a broad level we can state that neo-liberal globalisation has always contained a contradiction in regards to the free mobility of labour. In a no doubt apocryphal tale neoliberal guru Milton Friedman once said that, 'About labour migration the least said the better'. There is indeed no theoretically coherent explanation as to why one factor of production – capital –should have free mobility and not another. Roberto Unger has argued against this selective understanding of freedom, that 'nothing would contribute more to a rapid moderation of inequalities between nations than a greater freedom for the movement of labour' (Unger 2011: 130).

Trade unions – as organisers of the 'factor of production' i.e. labour – they have often throughout history, in practice if not programmatically, displayed a protectionist attitude towards the free mobility of workers. There are many historical examples of trade unions opposing the entry of foreign workers into the national labour market or seeking social exclusion of those already there (see Penninx and Rossblad 2001). More recently there has been recognition, from within the trade unions themselves, that 'solidarity with migrant workers is helping trade unions to get back to the basic principles of the labour movement' (David 2002). One argument is that to 'democratize globalization' the same level of movement by workers which applies at the national level should prevail. Latin American trade unions have committed to 'promoting increasing, strengthening and guaranteeing the freedom of movement for all workers... to stay in their own land, emigrate, immigrate and return' (Godio 2005: 56). As against the contradictions of neo-liberalism, a labour

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movement should recognise that migrant workers are an integral part of the working class and that they have often played a pivotal role in the making of labour movements.

Labour has always been slow to adapt to capital’s mutations and crises. That there has been a time lag of 25 years between the neoliberal capitalist offensive and labour’s re-composition is hardly surprising and fits the pattern of 19th and 20th century waves of labour disintegration and re-composition (Arrighi 1996: 348). This cyclical nature of labour-capital relations seems to have been ignored by analysts circa 2000 who perhaps reflected the mood at the time that US capitalism had really broken the cyclical nature of capitalism. Thus Castells argued that, ‘The labour movement seems to be historically superseded’ (Castells 2004: 425) because while capital is global, labour is local: ‘labour is disaggregated in its performance, fragmented in its organization, diversified in its existence, divided in its collective action’ (Castells 1996: 475).

While some of these points were conjuncturally correct the overall analysis ignored the fact that labour is a social movement. A more long-term view of the last century would show that trade unions have not only endured but that they have also been ‘making society more democratic, more respectful of the poor, moving human rights above the claims of capitalist property’ (Friedman 2008: 10). That is no mean achievement given the brutality of the neoliberal counter revolution.

The dominant economic model generated massive social transformation via globalization, financial deregulation, privatization and commodification of the life course. The deregulation of the financial markets – as the Euro-zone now acknowledges – created a series of asset bubbles which came to a head in the US in 2007. A shadow banking system had outstripped the regulated banking sector. So then, as Robin Blackburn puts it, ‘The banks heedless pursuit of short-term advantage led to the largest destruction of value in world history during the Crash of 2008. Government rescue measures were to offer unlimited liquidity to the financial sector, while leaving the system largely intact’ (Blackburn 2011b: 35). That is to say, neoliberal ideologies and their supporters have lost hegemony but they remain dominant. While Keynesianism is the 240 intellectual inspiration for all types of critics of the crisis, a coherent alternative path has not yet been forged and, in fact, most counter-measures will simply accentuate the crisis through so-called austerity measures against working people.

The impact of the crisis on workers and migrant workers in particular was massive and unfolded very rapidly. Globalisation had created an economically, socially and spatially much more integrated world. Labour Diasporas have formed dense social networks intimately integrated into the spatial expansion of capitalism. It is through these networks, as David Harvey puts it, that ‘we now see the effects of the financial crash spreading into almost every nook and cranny of rural Africa and peasant India’ (Harvey 2010: 147).
Within the trade union movement—there has been a tendency to answer the crisis from a rights-based perspective. A prime example is the Decent Work Campaign (DWC)* promoted by the ILO, the international trade union movement and the European Commission. It is a concept and programme based on the understanding that work is a source of personal dignity, family stability, peace in the community, democracies that deliver for people and economic growth that expands opportunities for productive jobs and enterprise development’ (ILO 2013). Its core objective is ‘to obtain recognition and respect for the rights of workers’ (ILO 2013).

Both Karl Marx and Karl Polanyi understood that capitalism would not realize its full potential until it was globalised. For Marx and Engels, ‘The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations’ (Marx and Engels 1970).

Karl Polanyi, for a different historical period was to write that, ‘The true implications of economic liberalism can now be taken in at a glance. Nothing less than a self-regulating market on a world scale could ensure the functioning of this stupendous mechanism’ (Polanyi 2001:145). Globalisation—as it unfolded from the 1980’s onwards—utterly transformed the world of work. There was, in first place, a massive increase in proletarianisation as millions more were brought under the sway of capital. National development regimes were soon to be superseded along with the state socialist system. This led to a shift from the ‘formal’ to the ‘real’ sub-sumption of labour.

They represent a challenge to the organised (settled) workers movement as we have argued, but also for the managers of globalization and will be a less case in determining whether sustainable global development is achievable. The other key feature of the labour condition in the era of globalisation is that of flexibility, which the leitmotif of the neoliberal restructuring of labour became. For globalizing capital the flexibilisation of labour was a key imperative: this entailed functional flexibility, wage flexibility and numerical flexibility. This drive was global in nature even though it took different national forms according to the degree and type of labour market embeddedness and the strength of the labour movement. The latter responded with a call for a ‘social clause’ to be included in multilateral trade agreements to prevent ‘social dumping’ across borders. At the end of the day there was little to show for this campaign beyond a few showcase European firms.

*Note- Decent Work, as defined by the ILO and endorsed by the international community, means opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. It includes various elements: opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.
agreements on paper. The old labour strategies were bound to fail when the terrain set by capital had changed so dramatically. Flexibilisation was but a part of a concerted strategy by capital to weaken labour through de-regulation across the board and a so-called ‘informalization’ of the relations of production.

Perhaps the most salient mutations of the global political economy of labour can be encapsulated with the term Brazilianization, first deployed by German sociologist Ulrich Beck (2000). For Beck, ‘The unintended consequence of the neoliberal free-market utopia is a Brazilianization of the West... the spread of temporary and insecure employment, discontinuity and loose informality into Western societies that have hitherto been the bastions of full employment’ (Beck 2001: 1). Precarious, insecure or informal relations of production accounted for maybe one tenth of employees in 1960’s Germany, but that figure is now around 40 percent and rising. There is a problem in the way Beck assumes the West is the norm and we may also question whether the ‘golden era’ of capitalism was really that secure for workers in the West in the 1950’s. Nevertheless, it is a useful way of bringing home the changes wrought by globalisation and the impact of neo-liberalism on the relations of production and the lives of working people.

What Brazilianization might mean is a reversal of Marx’s famous dictum that, ‘The country that is more developed industrially only shows, to the less developed the image of its own future’. Unregulated and informal relations of production and income generation are not ‘marginal’ to capitalist development or simply the dubious privilege of under-development. The World Bank was simply wrong in theory and in practice when it stated that ‘the informal sector shrinks with development’ (World Bank 1995: 35). Indeed, we can now posit the emergence of a new global informal working class which, following Davis, ‘is about one billion strong, making it the fastest-growing, and most unprecedented, social class on earth’ (Davis 2007: 178). The great expansion of the informal sector across the global South since the 1980’s was accompanied by its emergence in the North as ‘a stealth workforce for the formal economy’ (Davis 2007: 178) with the likes of Wal-Mart and other multinationals creating commodity chains reaching deep into the informal sector across the South. What we see today is a pattern beyond the old formal-informal (or North-South) divide, with a continuum of casualization as the global recession continues to impact on the world of work.

Existing labour strategies, based on old models and a moribund Euro-centrism, will almost certainly fail to deliver in their objectives. The current global turmoil is throwing up an existential crisis for global capitalism as we know it but also a serious challenge for the subaltern classes and nations. The precarisation of labour is but one strand of a complex mutation of capitalism now underway.
Thus trade unions need to engage with the political economy of labour migration as we have argued, but also with a much wider range of dramatic events including war and revolution. Reynald Bourque and Marc-Antonin Hennebert, 'The Transformation of International Trade Unionism in the Era of Globalization'— Just Labour: A Canadian Journal of Work and Society— Volume 17 and 18 following the Second World Congress of the International Trade Union Confederation (ITUC) held from June 21 to 25, 2010 in Vancouver, have stated how international trade unionism in recent years have undergone the changes. The increasing power of multinational corporations, as a result of globalization, has led to a transformation in international trade unionism which has produced a reorganization of its structures and the emergence of new forms of action to ensure the protection of workers' rights worldwide. The key argument of this article is that the evolution of the structures and practices of international trade union organizations over the last two decades has been characterized by the implementation of strategies aimed, on the one hand, at reinforcing trade union unity and, on the other hand, at targeting multinational corporations. Lastly, although the transformation of international trade unionism has given rise to important structural changes, international trade union organizations continue to face formidable challenges in their efforts to effectively contribute to the regulation of the global economy.

Proletarians of the world unite! Exhorted Karl Marx and Friedrich Engels in their famous 1848 Manifesto of the Communist Party. However, rather than heeding this exhortation, the international trade union movement has historically been characterized by division, antagonism and internal conflict (Traub-Merz and Eckl 2007). The intensification of international trade over the last two decades, facilitated by major economic and financial institutions and technological factors together with the rising power of multinational firms—some of which have become true global corporations organizing their establishments and value chains worldwide (Gunter and Van der Hoeven 2004)—have highlighted the need to renew worker representation internationally. In fact, globalization has had considerable impacts on government policies by limiting the capacity of national governments to implement policies regarding the economy, work and employment (Edwards and Elger 1999; Stiglitz 2002).

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Some analysts argue that by shifting their investments to countries offering inferior social protection plans and lower wages, multinational corporations have contributed to the deterioration of working conditions in industrialized countries and competition between workers in the developed and developing world (Gunter and Van Hoeven 2004; International Confederation of Free Trade Unions (ICFTU) 2004). In this context, trade union organizations must use supranational spaces more effectively in order to ensure the respect of fundamental social rights and the improvement of working conditions worldwide.

In an effort to respond to this challenge, international trade unionism has, since the 1990s, undertaken an in-depth reorganization of its structures and a review of its action strategies. Major changes designed to reinforce trade union unity and the collective negotiation processes at the global level have affected the structures and activities of the main international trade union organizations.

One of the major impacts, with the intensification of the globalization process, we are witnessing major shifts in employee relations in many countries. For instance, there is ample evidence in the literature of a shift towards non-unionism, single union, and a decline in collective bargaining and trade unionism, (Locke, Kochan and Piore, 1995 cited by Debrah and Smith 1999). According Dunlop 1958) as cited by Kochan 2003), there are three key actors systems. They are the employers, employees and the governments. None of these institutions could ever act in an independent manner. Given the wide and growing international divergence between country level union membership density, the link between globalization and the national level of trade union organization remains complex and problematic (Salmon et. al., 1999). Literally, importance diminished considerably by 1990s. By 2005, percentage fell just to 18.7 percent. Most researches indicated that trade union responses to such change have generally been minimal and moderate, with new arguments on “globalization” generating a potentially fragmenting effect on workers ability to respond to the new employer’s offensive (Brown, 1990 as cited by Upchurch and Danford, 1999).

Since the early 1980s, fierce competition as a result of globalization and other changes in organizational environments have prompted organizations to adopt flexibility strategies, lean production techniques, and other strategies to enhance operating efficiency (Debrah and Smith, 1999). The impact of globalization is quite alarming in degrading the role of trade union and reinventing the employment and industrial relations in many countries around the globe. To note the experience in Turkey five challenges facing trade unions can be listed as follows: (a) changing patterns of employment and union membership; (b) change in labour management relations; (c) public status of trade unions; (d) challenges in a hostile economic environment; and (e) the international economy: a threat to national trade unions. (Ozkaplan, 1999). Globalisation is indeed a challenge for industrial relations, questioning what is the new scope for national Trade Unions
facing the policy of firms who now work all over the world (Corteel and Hayem, 1999). It also led to
the fear of social dumping, the concern over labour standards, the issues of protectionism and unfair
competition leading to the race to the bottom arising out of the growing disparities in employment
conditions (Sengenberger and Campbell, 1994). Reacting to all these, more recently, a number of
national trade union centres in the United States, Australia, New Zealand and Britain have sought to
radically reverse the decline in membership levels through a radical initiative to revitalise trade
union purpose (Bronfenbrenner et. al., 1998; Heery, 1998; Salmon, 1998; Turnbull, 1997).
To make trade union still relevant from the onslaught of globalization, Upchurch and Danford
examined a variety of trade union approaches to defending member’s interests, varying from “social
partnership” to more traditional adversarial approaches. They argue that two decades of state and
employer led decollectivisation, and the associated impacts of labour intensification, have severely
tested the ability of unions at work place level to develop effective strategies of resistance.
Furthermore, in terms of trade union renewal, further strategic orientation is necessary which would
involve recasting of relations between work place union and full time officials and the sustained
provision of resources from the union centre (Upchurch and Danford, 1999).
The increasing globalization of economic, social, political and cultural processes has important
implications for the organization of work, employment, labour markets and employee/industrial
relations. The globalizing trend means the work place of the twenty-first century will continue to
witness the impact of the world economic restructuring. The trend towards global integration of
production and circulation of finance capital will have enormous impacts on the work place and as a
result the way human resources are managed. For instance, the current state of economic
interdependence means that an economic recession in one part of the world quickly impacts on
jobs/employment and employment practices in other parts of the world (Debrah and Smith, 1999).
Much of the literature on globalisation and employment focuses on the informal economy because of
its importance from a development perspective. One half to three quarters of non-agricultural
employment in developing countries is informal (Chen, forthcoming). While there are varying
definitions of the term “informality” (Section 2), the informal labour market is generally associated
with lower wages and greater vulnerability. Most of the working poor are in the informal economy.
Moreover, informal labour markets tend to have a higher proportion of female workers (Chen,
2007). Lastly, in addition to less job security and reduced access to social benefits, informal workers
also have lower participation rates in formal education and public training programs than formal
workers (Kucera and Roncolato, 2008).
From 2007 to 2009, real wages declined and underemployment and unemployment levels rose in
developing countries (Jansen and von Uexkull, 2010).
There is also evidence that informality has implications for trade and growth. According to the ILO and WTO (2009), large-scale informality may prevent some economies from fully benefiting from global integration. There is some evidence that informality increases inequality and reduces efficiency (thus, constraining GDP growth). Informality also hinders export diversification and upward movements in the value chain (ILO/WTO, 2009). These findings appear in line with the trends found in a 2002-03 survey by Schneider (2005), indicating that the informal economy comprised an average 39 percent of GDP in 96 developing countries versus only 16 percent of GDP in 21 OECD countries.

Chen (2007) suggests that 1. Much of the informal labour force is employed in global production chains. Given the sheer size of the informal economy, it is not surprising that much of the informal labour market is employed by exporting firms or in trade-related organisations.

2. Underemployment is defined by Chen as encompassing those working but not earning enough to escape poverty. Underemployment is a growing problem in the informal economy (Chen, forthcoming).

3. Chen's estimates are as follows: 51 percent in Latin America, 71 percent in Asia and 72 percent in sub-Saharan Africa (Chen, forthcoming).

4. Working poor are defined as individuals earning less than USD 2 per day.

In view of the linkages with trade and development, it is concerning that the rate of informality is increasing in many developing countries (ILO/WTO, 2009; Chen, forthcoming; Yusuf, 2010). This is particularly important with respect to the BRIICSS, which represent key players in global demand and supply. In India, 93% of total employment is informal (Chen, forthcoming). In China, 59 percent of urban employment is informal (Huang, 2009). The share of informal employment in total employment is less significant in South Africa - estimates range from 16 percent (Verick, 2010) to 34 percent (Chen, forthcoming).34

The most recent ILO definition of informality encompasses many of the elements highlighted above and has been cited frequently throughout the literature. According to this definition, the informal economy refers to “all remunerative work – both self-employment and wage employment – that is not recognised, regulated or protected by existing legal or regulatory frameworks and non-remunerative work undertaken in an income-producing enterprise” (ILO and WTO, 2009, p. 53). By this criterion, the informal economy includes (1) informal employment in informal enterprises (including employers, employees, own-account operators and unpaid family workers) and (2)

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informal employment in formal enterprises (including domestic workers, casual or day labourers, temporary or part-time workers, industrial outworkers and unregistered or undeclared workers).

The literature highlights a range of mechanisms through which opening to trade can affect informality. In particular: Trade opening could lead to an increase in competition. In turn, rising competition could result in greater uncertainty in product demand, leading firms to rely more on informal employment and/or to push for more flexible labour regulation on firing workers (Goldberg and Pavcnik, 2007). As trade opening leads to expansion of certain sectors, informal employment in sectors producing the intermediate inputs for exports could expand (Fugazza, 2009). As discussed earlier, technology spill overs from globalisation could lead to a rising skill premium. As the informal sector tends to have a higher proportion of unskilled workers, a rising skill premium could result in depressed average wages and employment levels in the informal sector.

If capital moves freely between the informal and formal sectors, informal wages may increase with trade opening. However, if capital movement is constrained and tariff liberalisation leads to a drop in the price of capital, formal workers will be displaced into the informal sector and informal wages will fall (Marjit et al., 2007; Marjit and Maiti, 2005). Lastly, if the informal and formal sectors are disconnected, informal wages may not be affected at all by trade opening in the formal sector (ILO/WTO, 2009).

What was stated on April 18, 1966 in the Editorial of the New York Times “call them strings, call them conditionalities or whatever you like, India has little choice now but to agree to many of the terms the United States through the World Bank is putting on its Aid” was finally fructified when India signed the GATT.

When the constitution of India was drafted it contained Article 39 that directed that the State shall ensure: (b) that the ownership and control of the material resources of the community are so distributed as best to sub-serve the common good and (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

In the context of the denationalization of economic decision-making it is important to recall the creation of the public sector following the resolution adopted in the Lok Sabha - “the basic criterion for determining the lines of advance must not be private profits but social gain, and that the pattern

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of development and the structure of socio-economic relations should be planned that they result not only in appreciable increase in national income and wealth, major decisions regarding production, distribution, consumption and investment, and in fact all significant socio-economic relationship must be made by agencies informed by social purpose”.

In the Bharat Petroleum Co. Case, the Supreme Court has held – “it is dangerous to exonerate Corporations from the need to have constitutional conscience ….if fundamental rights are not to be invoked against companies, there would be a breakdown of the rule of law. It may pave the way for a new tyranny by arbitrary administrators operated from behind the Government but unaccountable to the constitution....”

Among the recent studies on un-organised sector in India, the empirical works undertaken by Venkataratnam (2000), Sankaran (2000), Kurien (2000), Sinha (2000), Chandra and Pratap (2001), Vatsa (2005), Pranesh (2005), Roy Chowdhury (2005), and Madhavi (2006), are considered important as these studies have: (i) provided a framework for systematically studying the issues pertaining to the workers in this sector; (ii) brought out findings that provide an overview of the conditions of work, rights of workers, unionisation, and role of labour administration in the unorganised sector; and (iii) offered practical suggestions that would influence the policy-makers concerned with the issues of the workers in the unorganized sector.

We have been benefited from the various Government Reports on Labour and Industrial Relations, Job and Health Securities of the labourers under different Five Year Plans. They have been acknowledged at the respective Chapters of my Research Work.

NOTES-
1- According to a report by the United Nations Conference on Trade and Development (UNCTD), in 2004 there were more than 61,000 multinational corporations worldwide, that is, nearly ten times more than in the late 1960s (UNCTD 2004). Moreover, acquisitions and mergers of corporations as well as the restructuring of global value chains by MNCs during the 1985-2002 period increased their share of international trade by nearly 70 percent (Gunter and Van de Hoeven 2004).

2- While the current landscape of international unionism is made up of numerous organizations, two main sets of organizations operating internationally can be identified. They are, on the one hand, the large international trade union confederations and their affiliated regional organizations and, on the other hand, Global Union Federations (GUFs), which conduct their international action at the sectoral level.

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"Unions will hold us all to ransom". Irish Independent. 14 July 2009.

Unions Against the Working Class, International Communist Current

"...vulgar are the means of livelihood of all hired workmen whom we pay for mere manual labour, not for artistic skill; for in their case the very wage they receive is a pledge of their slavery." – De Officiis/J. Chomsky 1993, p. 19.

"As long as politics is the shadow cast on society by big business, the attenuation of the shadow will not change the substance", in "The Need for a New Party" (1931), Later Works 6, p 163.


1.5 Hypothesis

1. Globalization minus free flow of labour (Abolition of restriction on immigration) is a misleading concept as is felt in meeting the demands of the workforce from India to the countries abroad.

2. Globalization is a clandestine process of international economic integration which has been found to be no guarantee to ensure the quality of goods flowing from the developed nations to the poorer nations as is reflected in VISA restriction imposed by various developed nations.

3. Globalization is working as monopolization of the patent rights by the MNCs of capitalist countries which affects labour force in India and Orissa on the plea of deficit in standards of the goods and services.

4. Globalization tends to be a dumping process of time-barred and unsold goods and services of the MNCs in respect of specialized goods produced that displace working labour in India and Orissa.

5. Globalization breeds the environmental insecurities in respect of wastages with negative traces creating health hazards of the workers of India and Orissa.

6. Subsidization of agriculture in rich countries tends to adversely affect the Indian and Orissan farmers.

7. Globalization process has moved to deny the workers their democratic rights to participate in the decision making process at the international forums.

8. Various authorities like Government, administrative machinery, judiciary and other grievance redressal bodies are found to be less concerned regarding the economic, financial and social plights of the workers.


10. The Trade Unions are evasive in making their efforts transparent with regard to their striking capacity in Odisha.

11. Trade Unions in Odisha tend to undersell their missionary efforts in preventing the onsloughts on their interest.

12. The labour market in Odisha moves in favour of the employers in the absence of social security system for the protection of workers.

13. The role of the State in the State of Odisha tends to move to promote the interest of the labour force by becoming the spokesman of the employers who are their Party Financiers and the Trade Union Leaders are trigger happy by enjoying the perks from the State in return.

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1.6 Methodology

1. **Case Study Method**: - We have adopted the case study method wherein we made in-depth study of the philosophy and working of industrial relations in Odisha in respect of ten disputes where the efficacy of trade unions have been examined.

2. **Participant Observation Method**: - We have followed the participant observation method utilizing the experiences of the author in the trade unions from 1985 to 2015 in Odisha.

3. **Interview Method**: - We have collected data through interview method by administering interview schedules/ questionnaires to the selected leaders and selected workers in four important industries.

4. **Analytical Method**: - We have adopted analytical method by studying the provisions of Law and its implementation in the area of industrial relations in Odisha.

Also all the collected data was coded and entered in Excel data sheet and Statistical analysis was performed using the Statistical Package for Social Sciences (SPSS) 16.0 program (SPSS Inc., Chicago, IL, USA) for Windows 7. The data analysis was performed and comparison was done. Mean and standard deviations were derived for numerical data. Odds ratio was calculated at 95% confidence of intervals. Significance level was defined as $P < 0.05$. 

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