

# Impact of Globalization on the Trade Unions

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## **Introduction:**

At present, this is a growing trend towards economic globalization. Globalization has considerable economic growth while at the same time; it has caused social problems such as unequal distribution of income. The vast number of developing countries as a whole has remained at a disadvantageous position. Globalization has not only produced political and economic implications for various countries but also brought far-reaching influence on the world trade union movement. All this has captured the wide attention of trade unions at national, regional and international levels. Globalization is essentially the process of integrating national and local markets into a single global market. Economic Globalization Constitutes integration of national economies into the international economy through trade, direct foreign investment, and short term capital flows, international flows of workers and humanity in general and flows of technology. Today, the globalization of the world market has brought about several competitors on local companies which invariably have an adverse effect on trade union density due to unfavorable macro-economic policies used for the promulgation of globalization. The movement from social regulation to labour market control, created this competitors all in the name of productivity enhancement and efficiency creation. The study examines the challenges brought by globalization and all what accompany the concept while the role of trade unions was also measured to overcome the flexibility brought by globalization.

## **Review of literature:**

The concept of globalization has been variously defined by different authors with different perspective depending on the benefits (or) other wise the concept. Baylis and smith (1977) defined globalization as the process of increasing inter connection between societies such that events in one part of the world have more effects on peoples and societies " they added that globalized world is one

in which political, economic, cultural and social events become more and more inter connected with more impact. Sagagi (2007) said globalization has helped some countries grow faster than they would, if they had otherwise localized their strategies. This corroborate Webster, Lambert and Bezuidenhout (2008) assertion that for globalization to work there must be a stable political structure cum effective infrastructure development rather employers we embark on despotic ruling instead of hegemonic rule setting with consequence of threatening workers with relocation of plant. Also, it will lead to topdown management style where target are set without consultation and increases regular workers , while work intensification will be the order to the day.

**Definition of trade unions:**

Trade union is an association either of employees (or) employees of Independent workers. It is a relatively permanent formation of workers. It is not a temporary (or) casual Combination of workers.

**Objectives of trade Unions:**

- Wage salaries
- Working conditions Discipline
- Personnel Policies
- Welfare Employees - Employees selection
- Emergence of trade union to an extent helped to improve the standard of living of workers but it is fact that trade unions now a days downsized as a toy/ instrument of various political parties which force them to regret its moral values.

**Importance of Trade unions:**

- For Industrial peace
- Economic development

**Purpose of Trade unions:**

- Employment protection and job creation
- Economic protection
- Social students - Identity
- Political Role - Democratic Institutions
- Societal Obligation - Transformation

**The global unions:**

It consisting of the Interactional Trade union Confederation (ITUC), Global union federations (GUF) and the Trade union Advisory Committee to the OECD (TUAC) are engaging with large International organizations such as the International monetary fund, the world Bank group, the united Nations and their programmes and funds, the world health organization and the world Trade organization to promote a fair globalization.

**Trade Union position on Globalization:**

**Policy goals**

- Comprehensive social security and old pension programmes to protect the poorest
- Increased access to collective bargaining to ensure that workers can negotiate for a fair share of growth.
- Statutory minimum wage to protect lowest paid workers and those with weak or nonexistent bargaining position.

**In view of Globalization refuses to unions:**

**Globalization is a result of market forces:**

- Technological change
- Improved Communication and transport
- policy choices
- Trade and investment liberalization
- Capital market liberalization

**Impact of globalization on workers:**

- Globalized businesses respond quickly to shifts in Comparative advantage by relocating (or) outsourcing abroad. Countries are encouraged to respond to change by adopting more flexible labour market policies. Workers in industrialized countries fear trade will lead to job loss from outsourcing and off-shoring.
- Small countries without preferential access suffered dire employment loss:
  - Fiji - 6000 jobs lost from 2005 to 2006
  - Maldives - 65% of jobs lost between 2005 and 2006
  - Mongolia - 30% of jobs lost
  - Nepal - 66% of jobs lost, 20% decline in wages for remaining workers.

- In us "Trade Adjustment Assistance provides additional government - paid unemployment Insurance to workers. Some also receive retraining and/or employer - paid Severance.
- 50% of world's population has no form of social security Union responses to globalization: • Sector - level global union federations negotiate with companies on a global basis through international framework agreements
- Emphasis on core labor standards
- Organizing and including migrant and informal sector workers.

**Trade union position on globalization and policy goals:**

- Fair procedures for dismissed of workers, including severance pay and access to retraining. • Investment in education and training
- Decent work as an objective of development strategies:
- Employment, Rights at work, Social protection, Social dialogue and Gender equity.

**Major Impacts of globalization on the international trade union movement:**

In the process of globalization, neo-liberal economic policies taken by many countries have weakened the foundation of trade unions. Globalization has expedited the internationalization of trade union work.

- Globalization has increased the disparity between the haves and have-nots.

**Conclusion:**

Economic globalization is an irreversible process of the world economic development. The process of Economic globalization is also one of the world wide spread of market economy. Market economy helps to optimize the use of resources and increase the profits of enterprises. However, market by its very nature does not protect the weaker. In the process to economic globalization and structural adjustment, trade unions should concern for and better protect the legitimate rights and interests of the vulnerable groups and promote economic and social development in a co-ordinate and sustainable way.

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