



Impact Of Globalisation On Labour Force: An Analysis Of Unorganised Sector.

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Abstract

Globalisation has a significant influence on labourers of both organised and unorganised sectors. More than ninety percent of labourers engaged in informal employment. The major marked feature of unorganised sector is certain security conditions including financial and job security. Globalisation brings both negative and positive impacts on labourers of unorganised sector.

Key Words: Labourers, Globalisation, Security, Unorganised Sector

According to the latest report from the UN, the world population crossed 8 billion in the first quarter of the 21st century. The huge increase in the population and unequal distribution of resources make life of the human beings in trouble. The wide economic disparity between nations and regions adds to the burden further. The people of the world do different ways to survive. Out of this, the financial condition of the labour class, especially those who are in the unorganised sector is not so better. About 4 billion of the population belong to the category of labour force. The labour force is the category of the population engaged in economic activity for wages and is willing to offer the labour to others.

Labourer is the category of people who are involved in or ready to engage in economic activity for reward. The labour force of the world consists of the population engaged in organised sector as well as unorganised sector, the latter being the majority compared to the former.

The term informal or unorganised sector was first used by Keith Hart in 1971(Hart:1973)ⁱ. The National Commission on Enterprises in the Unorganised/Informal Sector through a resolution passed by the Parliament of India dated 20th September 2004 for as an advisory body for the informal sector.(D'souza:2013)ⁱⁱ. In India, the term unorganised worker has been defined under the Unorganised Workers' Social Security Act, 2008, as a home-based worker, self-employed worker or a wage worker in

the unorganized sector and includes a worker in the organised sector who is not covered by any of the Acts mentioned in Schedule-II of Act. i.e. the Employee's Compensation Act, 1923 (3 of 1923), the Industrial Disputes Act, 1947 (14 of 1947), the Employees' State Insurance Act, 1948 (34 of 1948), the Employees Provident Funds and Miscellaneous Provision Act, 1952 (19 of 1952), the Maternity Benefit Act, 1961 (53 of 1961) and the Payment of Gratuity Act, 1972 (39 of 1972).ⁱⁱⁱ(Ministry of Labour & Employment). The employees of Organised sector in India have the support of above mentioned statutes.

The marked features of the unorganised sector workers is the absence of seven security conditions, as given below:

1. Labour Market Security: -The unorganised sector workers are the scattered work force with low skill to survive in the competitive world. They always suffer from anxieties connected with their placement and removal from job ^{iv} (Schurman and Eaton:2013). Recently a number of retrenchment cases of removed employees frequently reported from various companies of unorganised sector. This may lead to frustration among employees and these conditions which negatively affect the morale level of employees.
2. Employment Security: - The employees of the unorganised sector are always under a threat of removal from their employment. It brings enormous economic and psychological stress to the employees. Between 2023 and 2024, thousands of employees lost their jobs in multinational companies in India.^v (The Indian Express, 5th April 2025).
3. Job Security: - Job security enhances the confidence level, morale and capability of employees of the organised and unorganised sectors. The employees of the unorganised sector constantly face the pressure of potential job loss. The less skilled and aged employees are the real victims of this type of condition. Many cases of suicide related to job loss have been reported in India, especially in unorganised sector. The unemployment rate in India is high, which affects the mental health of unemployed. Minister of State for Home Affairs Nithyanandha Rai reported in Parliament during the Covid-19 period nearly ten thousand people due to unemployment.^{vi} (The Hindu, 22nd February 2022).
4. Work Security: - In the unorganised sector, there is always a pressure to find out a new job in other fields, irrespective of one's experience in a particular area. Specialisation in a particular area does not always guarantee job security. Modern employment scenarios required multiple talents and skills. The rural poor, unorganised worker is concerned it is not easy to get and update such skills.
5. Skill Reproduction Security: - Employees of the new era are always in touch with the new knowledge in the emerging fields. But the employees of the unorganised sector have only limited chances to improve their skills in accordance with the needs of the time. Such a situation adversely affects their career growth and updating of knowledge in that area.

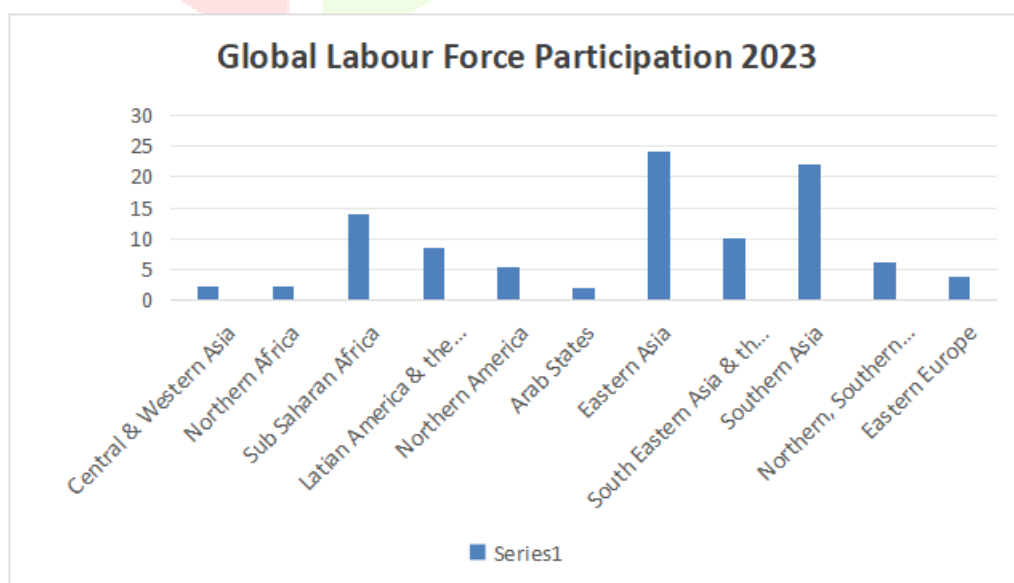
6. **Income Security:** - The employees of the unorganised sector have very limited security of income. Their income varies in accordance with many conditions such as the changing market conditions inside and outside the nation, financial policy of the government and management, political changes which occur from time to time etc.
7. **Representation Security:** - The employees of unorganised sector lack the security of representation in decision making bodies and negotiation tables on the matters that affect them and their career.

Global Labour Force Distribution 2023

Central & Western Asia	2.2
Northern Africa	2.1
Sub Saharan Africa	14
Latian America & the Caribbean	8.6
Northern America	5.3
Arab States	1.8
Eastern Asia	24.2
South Eastern Asia & the Pacific	10
Southern Asia	22.1
Northern, Southern & Western Europe	6
Eastern Europe	3.7

Source: ILO2024^{vii}

Global Labour Force is unevenly distributed in regions. Most of the workers are in the Eastern and Southern Asian continent.

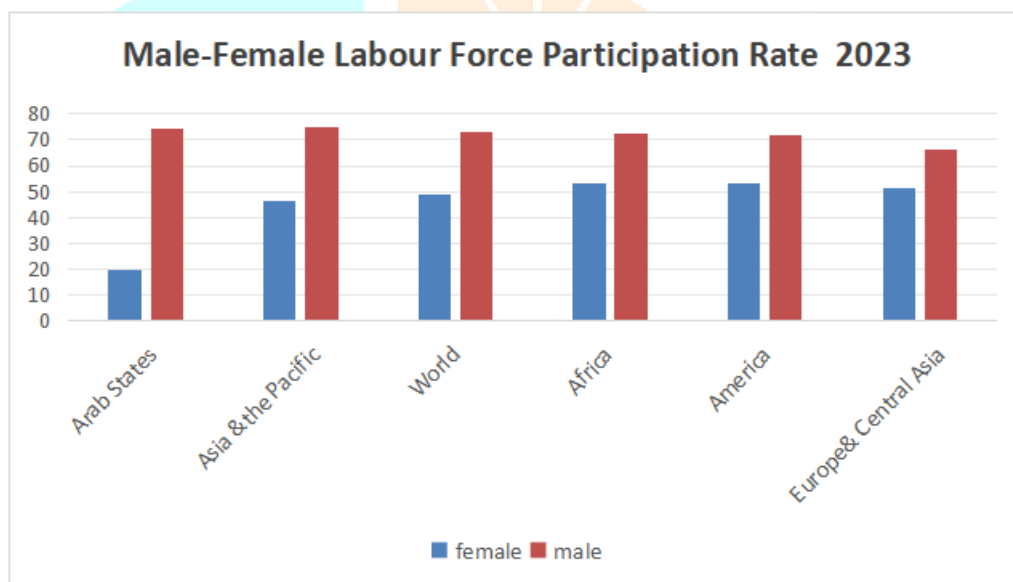


Globalisation has its impact on the whole world, irrespective of the density of workers.

The gender division in the organised and unorganised labour sectors is having many unique characteristics. The total workforce of the world consists of about 50 per cent women workers. They are working in both the organised and unorganised sectors. But a large number of women employees are engaged in lower strata of the informal sector. The socio-economic status of women workers is relatively poor compared to male workers. They get limited chances to excel in their field due to existing gender issues in society. Poor education, malnutrition, lack of ownership of assets, patriarchal norms in society, etc. retard the progress of development of women workers in unorganised sector.

In all the nations - irrespective of their economic status, form of government and geographical conditions - the male population exceeds the female population in the case of employment.

The global Female Labour Force Participation Rate is only 48.7 per cent as per ILO Statistics. At the same time 73 per cent of the male population engaged in employment. Arab states have the lowest rate of female participation in employment activities. Only 19.8 per cent of women are in the labour force of Arab states, at the same time 74 per cent of men are in the labour force.



Source: ILO 2023^{viii}

Michael A. Di Pietro's study team considered seven aspects of globalisation's impact on employment throughout the world ^{ix}(Dipietro, Girsberger and Vuille 2004: 2). Those are the following:

1. Number of jobs: - There are large number of job opportunities throughout the world. But these opportunities are not purely the result of the globalisation. There are many reasons behind this growth. The major reason is the growth of the world population in these years. The economic globalisation has little influence on this development. Finding out an income source is the aim of a citizen of each society. In this regard, with the support of globalisation new job vacancies are created and people are occupying their own position in it.
2. Change in the character of jobs: - Conventional types of job requirements are replaced with new type of jobs. Many opportunities turned out to be outdated and new type of jobs are replaced with

the previous ones. The creation of new jobs is in accordance with the requirement of the modern period and technological progress. Traditional jobs are vanished and new opportunities are replaced the earlier practices.

3. Composition of jobs: - The requirements of jobs are redefined. Employment opportunities are reserved for the highly technologically skilled personnel. The low skilled and poor educated employees are pushed back in the job market. There is always a competition for jobs prevails in such a situation and only the fittest persons get placement in this unending competition. Increasing unemployment of the low skilled employees is the net result of this new development.
4. Research and Development jobs: - New Multinational Corporations (MNCs) are highly investing in the research activities. The recruitment, promotion and transfer and placement of the employees are highly based on their research experiences.
5. Earnings of the jobs: - The earning gap between the skilled employees and unskilled employees is getting widened in developed nations. The technically skilled employees are highly demandable and they are always required to be updates in their knowledge field. Otherwise, there is the chance to get overthrown from the present employment at any time.
6. Migration: - Migration has attained great importance with the advent of globalisation. Labour migration deserves special attention in this regard. Migration of labourers from different parts of the world, including skilled and unskilled labourers, is happening in different parts of the world.
7. Employment Conditions: - Earlier, governments had paid much attention to the working conditions and rights of the employees. But, at present governments are increasingly showing the willingness to compromise with the employers and to neglect the interests of the employees. Demands are raised by the MNCs for dropping strict safety requirements, long working hours for employees, banning the activities of trade unions in their firms etc., which are more or less accepted by governments as package deals.

The labourers equipped with advanced technical knowledge and skills have enough opportunities in this competitive world. But those who are from the lower strata of society have found it difficult to survive. The condition of most of the female workers are not different. They are always in the back stage of quality education and possibilities. Very few of them are in touch with the advanced technology. Globalisation provides little chance to the vulnerable class of women workers, especially those who are from the unorganised sector.

Efficient and dedicated workers are assets to each firm and nation. They can contribute to the progress of the nations and ultimately to humanity as a whole. Globalisation demands high knowledge and efficiency from the employees of both organised and unorganised sectors. In this context, the labourers contribute to their maximum; at the same time, they should be vigilant towards the government and employers take. Governments and labour organisations are also keen to observe and protect labour rights without any compromise.

ⁱ Hart, Keith.(1973), "*The Informal Income, Opportunities and Urban Employment In Ghana*", The Journal of Modern African Studies, Vol.11, No.1.

ⁱⁱ D'Souza. Anthony P.(2013) "*Unorganised Sectors: Role of an Entrepreneur and Challenges in Self Employment*", International Journal of Scientific and Research Publication, Vol:3, Issue 6.

ⁱⁱⁱ <https://labour.gov.in/unorganized-workers>.

^{iv} Eaton.Adrienne, E.Shurman.Susan,J, Chen(2017b)

^v The Indian Express, Aril 5, 2025.

^{vi} *Suicides due to Unemployment highest in Covid-hit 2020*, The Hindu, 22nd Feb 2020.

^{vii} ILO (2024) Modelled Estimates and Projections (ILOEST) Database, November, Edition.

^{viii} ILO (2023) Modelled Estimates and Projections (ILOEST) Database, November, Edition.

^{ix} M. A. Di Pietro, E. M. Girsberger and A. Vuille,(2004) "*Document II/4 - The Impact of Globalization on Employment*", Swiss Federal Statistical Office (FSO), Switzerland.

