
A STUDY OF GLOBALISATION AND LABOUR UTILISATION IN INDIA

***Dr. Zaki Ahmad**

Principal, Shaheed Peer Ali Teachers' Training College, Sakri, Madhubani, Bihar.

Article Received: 20 December 2025

***Corresponding Author: Dr. Zaki Ahmad**

Article Revised: 08 January 2026

Principal, Shaheed Peer Ali Teachers' Training College, Sakri, Madhubani, Bihar.

Published on: 28 January 2026

DOI: <https://doi-doi.org/101555/ijrpa.1996>

ABSTRACT

Globalisation has been one of the most defining drivers reconfiguring economies and labour markets globally. In India, the period of post-1991 liberalisation was a transformation that ushered in new opportunities and daunting challenges for labour. Although globalisation has boosted economic growth, its gains have disproportionately accrued to favour capital-intensive industries and skilled labour at the expense of the unorganised and agricultural economy that constitutes the bulk of labour. This current research discusses the extent and nature of labour utilization in India during globalisation. Using secondary data from government reports, the National Sample Survey Organisation (NSSO) and academic studies, it explores employment growth and elasticity, trends in unemployment, sectoral changes, casualization, feminization, wage differences and labour migration. It also delves into the government labour welfare policies, their shortcomings and the imperative of perspective planning for reconciling growth with fair labour rights and social security. The research points out that though globalisation offers scope for India's skilled labour force, structural rigidities, informalisation and weak welfare systems remain major challenges to inclusive development. Policy changes toward higher skill development, rigorous labour laws and social safety nets are required for sustainable labor utilization in the global economy.

KEYWORDS: Globalisation, Labour Utilisation, Employment Elasticity, Informal Sector, Indian Economy, Labour Welfare, Industrial Relations.

INTRODUCTION

Globalisation is defined as the growing interdependence of national economies through trade flows, capital flows, technology flows, information flows and labor flows. Through the past

three decades, this process not only gained speed but also changed in character, generating new challenges and possibilities for the developed as well as developing economies (Das, 2004). India's liberalisation of the economy in 1991 was a landmark event that ushered in foreign investment, multinational companies and international markets into the country. While the growth of the economy and large-scale employment were anticipated from globalisation, the process has proved to be far more intricate. India's growth has indeed picked up, but it has largely been capital-intensive, generating few employment opportunities, particularly in the organized sector (Naidu, 2003).

Labour, as one of the factors of production, holds a pivotal position in driving the direction of economic development. For a labour-surplus nation such as India, effective use of human assets is important not only for economic development but also for social justice and stability. But with the onset of globalisation, there has been enormous pressure on the utilisation of labour. Globalisation-induced policies, technological progress and capital movement have changed the pattern of demand for labour at the expense of social security and welfare measures (Bhattacharjee, 2006). The organised sector of workers has suffered from redundancies, rightsizing and contractualisation, while the unorganised sector is still marked by informality, low pay and non-protection.

Need and Significance

Labour is not only an input of production but also the backbone of social and economic advancement. Machines, materials and capital remain unproductive unless used efficiently by labour. Therefore, labour welfare and utilization are very important in sustaining economic growth and social welfare. With more than 90% of India's labor force working in the informal economy (Unni, 2001), it is necessary to know the impact of globalization on their conditions for designing inclusive policies. The research also adds to the existing discourses on labor law reforms, flexibility and security and the requirement of social safety nets in emerging economies.

Review of Literature (Brief Overview)

An enormous literature has analyzed the effects of liberalisation and globalisation on Indian labour markets. It is argued that Indian labour legislation is extremely protective in law but weak in practice, leading to a paradox of informal sector vulnerability and formal sector rigidity (Anant et al., 2006; Sharma, 2006). Bhalla (2003) and Dutta Roy (2004) illustrate that, though manufacturing employment has declined at times, contract labour and flexible

arrangements are used more by employers. Likewise, Shyam Sundar (2006) points out that collective bargaining contracts tend to provide the management with considerable flexibility, indicating the erosion of union strength.

Other researchers like Vanamala (2001) and Unni (2001) highlight the informalisation and feminisation of employment processes, highlighting that unorganised workers and women bear the worst of casualised employment conditions. Rama (2003a) sees skilled labour and high technology industries as the chief gainers from globalisation, while unskilled and aging workers are marginalised. These studies together show that the consequences of globalisation are not homogeneous, with some winners and losers in various segments of the labour market.

Statement of the Problem

The focal point analyzed here is the effect of globalisation on Indian labour and the employment of labour resources. In spite of better growth rates, Indian growth has remained more or less jobless, with employment elasticity decreasing over the years. The liberalised economy is controlled by multinational companies that emphasize profits and use labour-saving techniques, thus constraining employment growth. Labour markets are being subjected to the forces of demand and supply more and more, creating lower bargaining power, loss of social security privileges and rising disparities between skilled and unskilled workers. In addition, the retreat of the state from its welfare functions under the neoliberal regime complicates the future of industrial relations and labour rights. Policies like "hire and fire," contract labour and voluntary retirement plans have altered the conventional industrial relations practice (Shyam Sundar, 2005). Here, the research examines whether the laissez-faire economy in globalisation has eroded the constitutional and legal rights of Indian workers.

Objectives of the Study

The following are the objectives that guide the study:

1. To examine the effect of globalisation on Indian labour, specifically about job growth, labour participation and shifts in sectors.
2. To study government policies for the establishment of labour welfare in India.
3. To determine the weaknesses of labour departments and obstacles in the implementation of welfare programmes.

4. To seek possibilities for increasing labour welfare and utilisation in the age of globalisation.

Methodology and Hypotheses

The research is grounded in secondary sources of data such as government reports, National Sample Survey Organisation (NSSO) reports, Census data, Economic Surveys and prevailing scholarly research. Analytical techniques like correlation and regression (as noted in the original thesis) underlie the understanding of employment trends.

The research is founded on the following assumptions:

- Relative under-utilisation of Indian labour has been caused by globalisation owing to reasons like low literacy, segmented labour markets and limited mobility.
- Indian labour welfare policies are not only lacking but also implemented inefficiently.
- Globalisation, as well as labour welfare reforms, despite the problems, can provide means for better utilisation of labour if planned effectively.

GLOBALISATION AND THE INDIAN LABOUR MARKET

Employment Growth and Elasticity

Among the most essential aspects of India's use of labour during globalisation has been the pattern of employment growth compared to the general economic growth. Employment growth in India during the 1980s was at a rate of approximately 2.7 percent per annum, with a calculated elasticity of employment of 0.52. But during 1993–2000, the period after the reforms, employment growth declined to 1.1 percent and elasticity dropped sharply to 0.16 (Aggarwal, 2002). This was despite enhanced GDP growth during the 1990s and generated concerns of "jobless growth."

The slowing down of employment expansion is a result of rising capital intensity in all sectors, both small and unorganised industries, where labor absorption previously had been greater. The services sector, particularly information technology, has become an important contributor to GDP but one that generates little mass employment (Das, 2004). Therefore, though growth has been driven by globalisation, it has not translated into jobs that are proportionate to the growth, which is a big challenge for labor utilisation. The Economic Survey (2014–15) points out that employment elasticity declined from 0.44 in the 1990s to 0.24 in the 2000s. More recent evidence from the Labour Bureau indicates that elasticity has been less than 0.2 since 2011–12, reaffirming that the economy is still growing without

offering sufficient jobs. This disconnection between economic and employment growth testifies to structural weaknesses in India's labour market.

Unemployment Trends

Unemployment has continued to be a chronic problem, particularly in rural India and among women. NSSO estimates indicate that the unemployed population increased from 20 million in 1993–94 to 27 million in 1999–2000, increasing the unemployment rate from 6.0 to 7.3 percent of the labour force (ILO, 2000). The main reason for this rise was the reduction in labour force participation of women, especially in rural India (Unni, 2001). Although India's joblessness has tended to be lower than that of nations like Australia or Sri Lanka, it continues to be higher than for China and Bangladesh, emphasizing regional differences in employment creation (Rama, 2003a). One particularly good development has been a reduction in educated unemployment, particularly among those with technical or secondary schooling. Yet this improvement is differential across states and industries.

State-Level Variations

Unemployment in India displays wide inter-state differences. For example, Kerala has repeatedly been recording the maximum unemployment levels at 21 percent during the late 1990s, in contrast to Himachal Pradesh with as low as 3 percent (Nagaraj, 2004). Maharashtra, albeit lower than the national average, increased sharply from 5 to 7 percent between 1993–94 and 1999–2000. These differences are a result of structural variations in state economies, policy environments and industrial profiles. Flexible labour markets in states like Gujarat have tended to attract greater levels of industrial investment, compared with states having more restrictive labour regulations and slower industrial growth (Hasan, Mitra, & Ramaswamy, 2003). Increasing disparities highlight the imperative for decentralised labour policies suited to state-specific circumstances.

2Sectoral Employment Shifts

The sectoral structure of employment has been greatly altered by globalisation in India. Agriculture, which used to absorb more than 60 percent of workers, now accounts for less than 20 percent of GDP but still employs close to half the total workers (Chandrasekhar & Ghosh, 2002). Such a disparity is an indication of the prevalence of disguised unemployment in agriculture. During 1993–94 to 1999–2000, employment expansion decelerated in commodity-producing industries such as agriculture and manufacturing, though some service

industries like transport, storage, communication, finance and business services experienced positive employment growth (Bhalla, 2003). Manufacturing employment has been extremely disappointing, with its proportion of the labor force remaining stagnant while its contribution to GDP has risen. The construction industry has also demonstrated robust labour absorption, particularly in rural non-farm livelihoods and there was an expansion in the trade and hospitality services. These patterns indicate a slow structural change, though with limited capability to absorb surplus agricultural labor.

Informalisation and Casualisation of Employment

Globalisation has heightened informalisation and casualisation in India's labour force. The proportion of informal workers stands at an estimated 92 percent of the workforce, with limited access to social security or acceptable working conditions (Report on Conditions of Work, 2007). Casual labour increased slightly in the 1990s, along with modest gains in real wages, especially in agriculture and construction. The unorganised sector continues to be the largest absorber of excess labour, but it is associated with underemployment, low productivity and lack of welfare provisions (Datta, 1998). Informalisation has also penetrated formal industries, with increasing dependence on contract labour and subcontracting chains (Roychowdhury, 2003). This threatens collective bargaining and erodes the rights of labour.

Feminisation of the Workforce

Globalisation has had a double-edged effect on the contribution of women in the labour market. There is evidence of feminisation of employment in some informal and temporary urban activities, e.g., textiles, electronics and hospitality (Vanamala, 2001). Nevertheless, participation rates among rural women have fallen, illustrating restricted employment opportunities outside agriculture and entrenched gender inequities. Urban women have gained a little from service sector growth, but generally, women are still overrepresented in low-paid, insecure and informal work (Unni, 2001). The female participation rate in India, at approximately 18 percent, far trails that of nations such as China (44 percent), which indicates structural constraints like low levels of education, social customs and the absence of flexibility of the workplace (Rama, 2003a).

Wage Inequality and Productivity

The era of liberalisation has seen increased wage disparity, especially between skilled and unskilled workers. Demand for skilled labour has increased, particularly in the services and

IT sectors, contributing to increased productivity and earnings (Aggarwal, 2004). In contrast, unskilled and casual workers are stuck with low-productivity employment and stagnant wages.

The organised sector wage gap has also increased, with the managerial and technical workers benefitting disproportionately over the lowest-paid workers (National Commission on Labour, 2002). Revisions in wages in certain public sector enterprises have remained stalled for decades, whereas private sector wage growth has been very high, representing uneven bargaining power.

Organised vs. Unorganised Employment

The organised sector has a share of only about 8 percent in total employment and the public sector employs close to 70 percent of these workers. Organised sector employment elasticity has fallen to almost zero levels owing mainly to public sector downsizing and technological upgradation (Bagchi & Das, 2005). Private sector hiring, nonetheless, has been more dynamic, spurred by foreign investment and global market integration. In spite of its dynamism, the organized private sector has not been able to absorb labour on a mass scale. It relies more and more on contract workers, thus undermining the quality of employment and security of formal employment (Shyam Sundar, 2006). The predominance of the informal sector reflects the necessity for policies that can upgrade working conditions and offer basic social security to informal workers.

International Labour Mobility and Remittances

Labour migration is now a vital aspect of India's involvement with globalisation. Post-independence, migration trends involved skilled professionals going to industrialised nations and unskilled migrants going to oil-exporting Middle Eastern countries. Over the last few decades, the demand in the Middle East has turned towards skilled service and repair workers, while India has become the leading exporter of IT and BPO manpower (Rama, 2003a). Remittances from the Indian diaspora, the world's biggest, have served as a stabilising factor in India's balance of payments. For employees in IT and allied services, benefits such as stock options have boosted incomes and exposure to the rest of the world. Migration thus creates new possibilities, but it serves mainly to reward skilled and English-speaking parts of the workforce while leaving the bulk of the unskilled group outside.

Industrial Relations in a Globalised Economy

Globalisation has changed industrial relations in India. Tripartite industrial relations are being increasingly replaced by decentralised, enterprise-based arrangements. Co-operation and consensus are increasingly accepted in place of confrontation. This is reflected in the decreasing number of strikes, with more man-days lost due to employer-promoted lockouts than union-initiated strikes during the 1990s (Jyoti & Sidhu, 2003). Employers have utilized globalization to justify workforce arrangements, acquire new technology and establish voluntary retirement schemes. These policies improve competitiveness but tend to erode job security and labour rights. Trade unions are suffering dwindling membership and bargaining capability, requiring new approaches to stay relevant in an age of fractured and contractual work (Roychowdhury, 2003).

New Challenges facing Labour in India

The evolving character of the labour market poses a number of critical challenges:

- **Skill Development:** A mere 6–8 percent of Indian workers are skilled in a formal manner, as opposed to 60 percent in advanced economies (Planning Commission, 2011).
- **Gender Disparity:** The participation rate of women is very low and interventions need to be made in education, childcare and workplace policies.
- **Child Labour:** Globalisation and ILO conventions have mounted pressure on removing child labour, requiring poverty reduction and compulsory education (Jhabala, 1998).
- **Labour Law Reforms:** India's labour laws are inflexible, especially the Industrial Disputes Act and the Contract Labour Act, which restrict competitiveness and flexibility (Debroy, 2005).
- **Social Security:** Lack of unemployment insurance and ineffective social safety nets enhance the vulnerabilities when there is retrenchment.

LABOUR UTILISATION: ISSUES AND OPPORTUNITIES

Characteristics of Labour in India

India's labour market is large, heterogeneous and marked by structural dualism. A majority of the labour force remains employed in agriculture despite the sector producing less than a quarter of the Gross Domestic Product (GDP). Census 2001 found that 61.6 percent of the total workers were employed in agriculture, 17.2 percent in industry and 21.1 percent in services (NSSO, 2011). The sustained high level of dependence on agriculture, even as its

economic contribution continued to fall, indicates disguised unemployment and labour underutilisation.

Industry absorbs approximately 18 percent of the workforce and construction has become a major employment absorber of excess rural labour. Inside the sector, manufacturing has not experienced corresponding growth in employment, even though its share in output has increased (Aggarwal, 2004). Rapid growth in the services sector has raised its share to over 57 percent of GDP, yet it absorbs barely 28 percent of the workforce. The disparity indicates unevenness in sectoral growth and employment generation.

Yet another distinguishing characteristic of the Indian labour market is the predominance of the informal economy, which employs more than 90 percent of workers (Report on Conditions of Work, 2007). Informal sector workers in both urban and rural settings have insecure working conditions, poor wages and no social security. Organised sector workers, by contrast, form a privileged minority with the advantage of relatively better wages, perks and job security. This division among organised and unorganised workers is causing profound inequalities in the labour market.

Rural–Urban and Inter-State Dynamics

The rural labour markets are largely agrarian and of low productivity. Rural employment in the non-agricultural sectors has picked up over time, particularly construction and services, but is still inadequate to provide an alternative market to the surplus labour emerging from agriculture. Urban–rural migration has thus accelerated. Nevertheless, rural–urban migration has for the most part been limited to the big cities and migrants find themselves in the unorganised sector, dampening the growth of wages and contributing to urban unemployment (Singh, 2001). Inter-state migration is still moderate vis-à-vis internal migration in other states due to language, caste and social identity barriers. States with higher literacy but fewer employment opportunities, such as Kerala, record higher unemployment, whereas states like Gujarat and Maharashtra receive greater numbers of migrants through improved industrial growth (Hasan, Mitra, & Ramaswamy, 2003). This unequal labour utilisation between states also serves to emphasize the need for decentralised employment policies.

Labour Utilisation Challenges

Labour utilisation in India encounters a number of structural and institutional challenges that hamper the maximisation of human resources.

Skill Deficit and Mismatch:

Just 6–8 percent of workers in India are formally skilled compared to 60–70 percent in South Korea or Germany (Planning Commission, 2011). Such a skills shortage restricts the employability of employees in contemporary, high-technology industries. Even amongst educated youth, there usually exists a conflict between what education provides by way of skills and the requirements of the labour market, thereby leading to educated unemployment.

Informalisation and Precarity:

The pervasive prevalence of informal employment leads to rampant vulnerability. Informal workers are deprived of statutory rights like provident fund, health insurance, maternity benefits and pension. Spreading casualisation of work, even within the formal sector, has compromised job security and undermined trade union bargaining capacities (Roychowdhury, 2003).

Gender Disparity:

Women's participation in the labor force continues to be abysmal at 18 percent, while a number of East Asian countries have over 40 percent participation (Unni, 2001). Socio-cultural restrictions, inflexibility in the workplace and over-concentration in low-paying jobs worsen gender disparity. Rural women, especially, experience a declining rate of participation, whereas urban women registered some improvements in services and informal work.

Rigid Labour Laws:

India's labour laws are criticized as being stiff, constraining flexibility in employment and retrenchment. The Industrial Disputes Act requires government permission for retrenchment in units employing over 300 workers, making reorganization challenging (Debroy, 2005). Employers bypass the laws by contractualisation, diluting the protection of workers. Ironically, even though the formal laws seem pro-labour, their enforcement is poor, so that they become ineffective in safeguarding unorganised workers.

Weak Social Security Systems:

India does not have a broad-based unemployment insurance or an efficient social safety net. Programmes like the National Renewal Fund, established in the early 1990s to benefit retrenched workers, have been underfunded and imperfectly implemented. Informal workers are specifically outside the purview of social security, making them susceptible to economic shocks, accidents and old age (Jhabala, 1998).

Child Labour and Vulnerable Groups:

Globalisation has raised international attention to child labour in India. While participation has been on the decline, child labour is still substantial in sectors like textiles, fireworks and carpet manufacturing. Poverty, poor education and social security deficiencies sustain child labour, hampering human capital formation (Datta, 1998). Likewise, groups like the Scheduled Castes, the Scheduled Tribes and migrants are subject to systemic disadvantages in securing better employment.

Government Policy for Labour Welfare

The Indian government has traditionally intervened to promote labour welfare by way of legislation, welfare programs and institutional arrangements. Labour is a concurrent topic in the Constitution, allowing central and state governments to enact laws on it. Policies seek to control conditions of work, guarantee minimum wages and offer social security.

Main welfare initiatives are:

- Minimum Wages Act (1948): Fixes minimum wages for all sectors, although enforcement is poor.
- Employees' Provident Fund and Miscellaneous Provisions Act (1952): Offers retirement benefits to organised sector employees.
- Employees' State Insurance Act (1948): Provides medical benefits to employees and their dependents.
- Maternity Benefit Act (1961): Guards women employees at the time of maternity.
- Workmen's Compensation Act (1923): Offers compensation for work injuries.

More recent programs are the National Rural Employment Guarantee Act (2005), which guarantees 100 days of wage employment in rural areas to household units and social security programs for unorganised workers. But their effectiveness is constrained by gaps in coverage, inefficiencies in implementation and ignorance.

Prospects for Labour Utilisation in India

Despite these challenges, India has enormous potential to utilise its labour resources efficaciously under globalisation.

Demographic Dividend:

Being one of the world's youngest countries with a median age of approximately 28 years, India enjoys one of the world's highest demographic dividends. With the right education, skill

sets and jobs being offered, this demographic dividend is an unparalleled opportunity for increasing productivity.

Skill Development Initiatives:

Government schemes like Skill India Mission and National Skill Development Corporation (NSDC) target the development of millions of people with vocational skills. If implemented efficiently, these programs have the potential to improve employability and close the skill gap.

Growth of Service and Knowledge Economies:

The unprecedented growth of IT, business process outsourcing (BPO), healthcare, hospitality and financial services opens up new areas of employment for skilled people. With adequate investment in education and infrastructure, India can reinforce its position as a service hub in the world.

Informal Sector Enterprises Strengthening:

The informal economy, employing most, has the potential to expand if it were to be backed by policies like access to credit, training, tax breaks and legality. It is evident through examples like the Self-Employed Women's Association (SEWA) that informal workers could be organized and strengthened.

Gender Empowerment:

Raising women's labor force participation to a significant level can raise India's GDP significantly. Childcare support, flexible work arrangements and education for girls are keys to unlocking this potential through policies.

Labor Law Reforms with Protection:

Reforms designed to offer flexibility to employers need to be balanced with proper protection for labor. Launching unemployment insurance, enhancing mechanisms for resolving disputes and broadening social security to include informal workers are the steps that need to be taken.

PLANNING AND POLICY ACTIONS FOR LABOUR WELFARE IN INDIA

Role of the State in Labour Welfare

The Indian Constitution acknowledges the significance of labor welfare through a number of Directive Principles of State Policy (Articles 39, 41, 42 and 43), which obligate the state to provide just and humane conditions of work, living wages and social security. In reality, however, globalisation and economic liberalization have curtailed the direct role of the state in employment generation, placing greater emphasis on private sector-driven growth. Even

with this transition, the role of the state remains pivotal in the formulation of labour laws, welfare scheme administration and the provision of safety nets. The difficulty is to reconcile the imperatives of global competitiveness with the constitutional mandate of safeguarding workers' rights.

Present Labour Welfare Policies and Schemes

Wage and Employment Protection:

- Minimum Wages Act (1948): Makes provision for fixing minimum wages across industries, although enforcement remains lacking, especially in unorganised employment (Sharma, 2006).
- Payment of Wages Act (1936): Aims at regular payment without unauthorised deductions.
- Equal Remuneration Act (1976): Ensures equal remuneration for equal work for all employees without distinction of sex, although wage differentials are still prevalent (Unni, 2001).

Social Security Legislation:

- Employees' Provident Fund Act (1952): Offers retirement funds to organised workers.
- Employees' State Insurance Act (1948): Provides health and disability benefits.
- Maternity Benefit Act (1961): Grants leave and benefits to employed mothers.
- Workmen's Compensation Act (1923): Provides compensation for workplace injury or death.
- These Acts protect only a tiny percentage of workers in the organised sector, with the majority being in the unorganised sector beyond their reach (Datta, 1998).

Employment Generation Programmes:

- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA, 2005): Ensures 100 days of wage employment every year in rural areas for rural households, alleviating rural distress and empowering women.
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY, 2015): Seeks to skill youth for employability.
- Start-up India and Make in India (2014 onwards): Encourage entrepreneurship and manufacturing employment.

Unorganised Sector and Migrant Workers:

The Unorganised Workers' Social Security Act (2008) and following schemes (i.e., Pradhan Mantri Shram Yogi Maandhan, 2019) try to cover informal workers with pension and insurance. However, the absence of awareness, bureaucratic issues and insufficient funding restrict their coverage (Jhabala, 1998). Migrant workers, who form a significant share of informal employment, face additional hardships due to exclusion from local welfare schemes. The COVID-19 pandemic highlighted the vulnerability of this group, prompting new policies like the One Nation One Ration Card (2020).

Shortcomings in Policy Implementation

While India has an elaborate framework of labour welfare laws and schemes, their implementation has been fraught with challenges:

1. **Fragmentation of Laws:** More than 40 central labour legislations and 100+ state legislations exist, with overlapping provisions causing confusion and compliance issues (Debroy, 2005).
2. **Limited Coverage:** The majority of laws pertain only to establishments with a minimum size, leaving behind most informal workers (Roychowdhury, 2003).
3. **Weak Enforcement:** Corruption, inspector raj and insufficient resources make effective enforcement difficult, especially in rural and informal sectors.
4. **Gender Insensitivity:** Most welfare programs fail to adequately attend to the special needs of women, including childcare, sexual harassment at work and flexible work arrangements (Vanamala, 2001).
5. **Weak Social Security:** Unemployment insurance is practically nonexistent and pension schemes for informal workers are voluntary and under-subscribed.
6. **Lack of Correspondence with Labour Market Needs:** Education and training policies are usually divorced from the needs of industry, creating skill mismatch (Planning Commission, 2011).

Labour Law Reforms in a Globalised Economy

Identifying these flaws, India launched a comprehensive overhaul of its labor laws. During 2019–20, the government merged 29 central labor laws into four labor codes:

1. **Code on Wages (2019):** Brings minimum wages and punctual wage payment to all workers.

2. Code on Social Security (2020): Covers gig and platform workers under social security benefits.
3. Code on Industrial Relations (2020): Offers flexibility in recruitment and retrenchment while controlling strikes.
4. Code on Occupational Safety, Health and Working Conditions (2020): Harmonises working conditions across sectors.

These reforms promote ease of doing business while increasing protection for workers. Critics, however, feel that the focus on flexibility could weaken workers' rights, particularly retrenchment and collective bargaining (Shyam Sundar, 2006). The success of implementation will lie in ensuring that reforms strike a balance between employer flexibility and worker protection.

Policy Agenda for Effective Labour Utilisation

Education and Skill Development:

Globalisation has increased the need for skilled manpower. An increase in vocational training, curriculum mapping with industry requirements and lifelong learning is a must. Skill India Mission focuses on training more than 400 million individuals, but its success needs to be monitored better and linked with real jobs.

Informal Sector Strengthening:

Since more than 90 percent of employees are in informal jobs, policies have to put their well-being first. Policies include:

- Legal status for informal businesses.
- Affordable access to credit and insurance.
- Promoting cooperatives and associations such as SEWA to unionize workers.
- Tax benefits for small firms employing casual workers.

Gender-Inclusive Policies:

Increased employment of women could contribute meaningfully to India's GDP. Policies should offer:

- Subsidized childcare facilities.
- Enforced equal remuneration.
- Flexible working hours and safe working conditions.

- Development programmes for women's skills.

Universal Social Security and Safety Nets:

India requires a comprehensive social protection floor to extend minimum security to all workers. Some key measures are:

- Universal health coverage.
- Unemployment insurance to retrenched workers.
- Enlargement of pension schemes for informal and gig workers.
- Public works programmes in rural and urban areas.

Promoting Labour-Intensive Sectors:

Globalisation has promoted capital-intensive sectors, but labour-intensive industries like textiles, garments, leather and agro-processing are more job-generating. The policies should promote investment, export orientation and technology upgrading in these industries with decent work requirements.

Industrial Relations Strengthening:

Labour unions need to innovate to cope with the fragmented, contractualised workforce by organizing the informal and gig economy workers. Collective bargaining needs to be moved from confrontation to cooperation, allowing win-win outcomes. The state needs to promote arbitration and mediation to settle disputes quickly.

International Lessons for India

International experience provides valuable lessons in labour welfare during globalisation:

- China has paired labour-intensive industry with robust state-led industrial policy, generating millions of jobs.
- Germany's dual vocational training model connects education and industry requirements, minimizing skill mismatch.
- Nordic countries have universal social security and robust labor protection, yet competitive economies.

Implementing such models in the Indian context may improve competitiveness as well as inclusiveness.

CONCLUSION AND SUGGESTIONS

Conclusion

Globalisation has been a revolutionary driver of change in structuring India's labour market and economy since the 1990s. Its effects, though, have been two-pronged—while driving growth and generating new opportunities for educated workers in contemporary sectors, it has also, at the same time, intensified inequalities, informalisation and precarity among most unorganised workers. The data put forth in this study indicate that India's labour market is dominated by jobless growth, with the elasticity of employment declining sharply after the reforms. While employment generation has been slower, even with greater GDP growth, it has been notably in manufacturing. Agriculture has been employing close to half of the workers despite contributing below 20 percent to GDP, indicating persistent disguised and underemployment. The services sector, though being dynamic, has not generated sufficient jobs to offset.

Labour utilisation in India faces multiple structural challenges:

- **Informalisation:** Over 90 percent of workers remain outside formal protections, lacking access to social security.
- **Skill Deficits:** Only a small fraction of workers are formally trained, limiting employability in modern sectors.
- **Gender Disparity:** Female labour force participation remains among the lowest globally.
- **Ineffective Welfare Schemes:** While India has elaborate labour laws, enforcement is weak and coverage is narrow.
- **Industrial Relations:** Conventional union-centric models are eroding in the face of contractualisation and international competition.

India, however, has great potential for enhanced labour utilisation. India's demographic dividend, rising knowledge economy and digital revolution pose opportunities to leverage human capital. Government schemes like Skill India, MGNREGA and recent labour law reforms offer a framework for inclusive growth if well executed.

In total, globalisation has given India an opportunity as well as problems. The success of India in exploiting its human resources properly will decide whether globalisation is a means to inclusive growth or a vehicle for inequality.

Recommendations

On the basis of the above, the following policy recommendations are made to enhance labour utilisation and well-being in India:

Enhance Employment Generation:

- Encourage labour-intensive sectors like textiles, leather, food processing and construction by offering focused incentives.
- Facilitate small and medium enterprises (SMEs) that are more labour-absorbing than large-scale capital-intensive industries.
- Extend public works schemes (like MGNREGA) to urban regions to offer jobs during economic slack.

Invest in Education and Skill Development:

- Scale up vocational training and education in line with industry needs.
- Facilitate industry-trainer institute collaborations (drawing from Germany's dual model).
- Facilitate digital skills and higher technical training to equip workers for Industry 4.0.
- Incorporate life skills, entrepreneurial and problem-solving skills into curricula.

Empowering Women Workers:

- Offer cheap childcare centers and maternity leave to promote women's entry.
- Implement equal pay laws and deal with harassment in the workplace.
- Develop gender-sensitive skilling programs and women's entrepreneurship.
- Encourage industries to employ more women through tax incentives.

Labour Law Reforms with Balance:

- Take care that new labor codes achieve a balance between employer flexibility and protection for workers.
- Implement unemployment insurance to cushion workers during retrenchment.
- Enhance labour inspection mechanisms through digital monitoring to curb corruption.
- Foster alternative dispute resolution systems (mediation, arbitration) to ensure industrial harmony.

Enlarge Social Security Nets:

- Establish a universal social protection floor that includes health, pension and insurance for all workers, including gig and platform workers.
- Strengthen schemes such as Pradhan Mantri Shram Yogi Maandhan with improved funding and public awareness campaigns.
- Consider public–private partnerships for providing affordable insurance to informal workers.

Enhance Working Conditions in the Informal Economy:

- Grant legal recognition and registration of informal workers and enterprises.
- Promote worker cooperatives (e.g., SEWA model) to empower informal labour.
- Provide microcredit and skill upgradation programmes for self-employed workers.
- Make occupational safety and minimum wage enforcement mandatory in informal sectors.

Enhance Industrial Relations and Labour Voice:

- Urge trade unions to bring informal and gig workers within their fold.
- Encourage tripartite discussion between government, employers and workers to formulate consensus-based policies.
- Utilise online platforms to bring together disparate labour groups and facilitate collective bargaining.

Leverage Migration and Remittances:

- Ensure safe and legal migration routes for Indian labourers working overseas.
- Give migrant workers pre-departure training and education to minimize exploitation.
- Utilize remittances for community development and investment in skills.

Draw from Global Best Practices:

- Adopt the components of China's state-driven industrialisation to generate jobs with labour intensification.
- Implement Germany's vocational training model to narrow the skills gap.
- Study Nordic-type social protection models to curb inequality without losing competitiveness.

Way Forward

Globalisation has largely transformed the Indian labour market, but its potential still remains untapped. The future lies in taking a balanced path with a simultaneous thrust for growth while ensuring that labour rights, social security and inclusiveness are not sacrificed.

India needs to:

- Generate employment matching its demographic dividend.
- Developing its workforce to compete internationally.
- Defending vulnerable workers against exploitation and precarity.
- Enhancing gender equality in the labour market.
- Streamlining labour laws to balance flexibility with fairness.

In this way, India can turn its labour surplus into a labour strength and make globalisation a vehicle of fair and sustainable development.

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