



## International Journal of Arts & Education Research

### INCREASING TREND OF TRADE UNIONS IN INDIA IN CURRENT SCENARIO

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#### ABSTRACT

Development of modern industry, especially in the Western countries, can be traced back to the 18<sup>th</sup> century. Industrial development in India on Western lines, however commenced from the middle of the 19<sup>th</sup> century. The first organised Trade Union in India named as the Madras Labour Union was formed in the year 1918. Since then a large number of unions sprang up in almost all the industrial centres of the country. Similarly, entrepreneurs also formed their organisations to protect their interests. In 1926, the Trade Unions Act was passed by the Indian Government. The Act gave legal status to the Registered Trade Unions. The Registrars of Trade Unions in different states were empowered to register the Trade Unions in their respective states. These registered Trade Unions (Workers & Employers) are required to submit annual statutory return to the Registrar regarding their membership, General Funds, Sources of Income and Items of Expenditure and details of their assets and liabilities, which in turn submit consolidated return of their state in the prescribed proforma to Labour Bureau.

#### INTRODUCTION

Trade unions in southern Ireland have undergone ten phases of development, characterized by illegality up to 1824; violent militancy; atrophy after the Great Famine; three waves of agitation influenced by new unionism from 1889, Larkinism from 1907, and syndicalism from 1917; internecine strife from 1923 to 1945; national free collective bargaining from 1946; centralized bargaining from 1970; and social partnership from 1987. The story of unions in Ulster conforms more to the British periodization.

The 1841 census enumerated 240,000 male artisans and 1.2 million male unskilled workers, the bulk of them agricultural laborers. (There were also more than one million working women, mainly in clothing and domestic service, who were not members of trade unions.) Despite the enactment of anticombination laws prescribing trade union laws beginning in 1729, journeymen artisans formed secret societies as the guilds lost their role in trade protection. With the repeal of the combination acts in 1824, local craft unions formed in the main cities. These new unions had a militant conception of their role initially, but following violent episodes and an economic slump in the late 1830s, they adopted a "moral force" strategy in the 1840s and pursued their demands through campaigns for public support. Unskilled rural laborers were afforded some protection by the Whiteboy movements that emerged in 1760 to defend tenant farmers and others. In Leinster in particular, Whiteboyism extended to unskilled urban workers through Ribbon lodges, another variant of the secret societies which used violence or intimidation to protect laborers from employers or landlords.

Unions were not important to Irish state policy until Fianna Fáil's industrialization drive in the 1930s; henceforth, the state would be an increasingly significant determinant of trade union strategy. Interunion disputes in the 1930s led the government to press for an end to the multiplicity of unions. The ITGWU especially wanted to replace sectionalist trade unionism with industrial unionism, and blamed the ITUC's failure to reform on resistance from British-based unions. Union membership in the North grew substantially during World War II, especially among general workers and women. The ITUC redressed its neglect of the North by establishing in 1944 a Northern Ireland Committee—in effect, a regional congress. Mounting friction between Irish- and British-based unions culminated in a split in 1945, when many private-sector Irish unions formed the Congress of Irish Unions. Their expectations of a more positive relationship with the state and of legislation to eliminate the British unions were disappointed.

Trade Unions consider themselves as the sole representatives of the working class in India. In the performance of its role, the unions endeavour to protect and promote the working class interests. The Indian Trade Union Act of 1926 defines a trade union as a combination, whether temporary or permanent, formed primarily for the purpose of regulating the relation between workmen and employers or between workmen and workmen, or between employers and employers or for imposing restrictive conditions on the conducts of any trade or business, and includes any federation of two or more unions. Since then the Act has undergone a number of minor amendments but the overall framework of the Act has remained unaltered. According to the Act any group of seven persons could form a union. There are, however, discussions to bring in amendment to raise the number to 100 or 10 per cent of the employees as minimum required for the registration of a trade union.

### **Origins of the Public Sector**

Government corporation or Crown companies had enormous influence and reach in several western European countries and the United States. Nationalisation of major corporations was evident in Europe during the course of the two world wars to ensure control of the government over certain monopolies and industries that were strategic to the interests of the state. Simultaneously, the colonial rule in Asia and Africa, which created huge monopolies and concentration of economic power, induced the respective nations to focus on more equitable distribution of wealth and dispersion of economic power subsequent to their attaining Independence.

It may be seen from the statement that during 2002, only 18 States/Union Territories have submitted returns. Among these States/Union Territories, Kerala accounted for the largest number of registered trade unions (11,664) followed by Tamil Nadu (9,759). Out of the total of 38,092 registered unions, as many as 37,903 unions (99.5%) were of Workers Unions and remaining 189 unions (0.5%) were of Employer Unions. Out of 37,903 Workers unions, 89.9 percent were State Unions and remaining 10.1 percent were Central Unions. State Unions are

those unions, whose activities/objectives are confined to the boundaries of the state, while Central Unions have activities/objectives beyond a State boundary.

### **Trade Unions in India**

The trade union movement in India is over a century old. It is useful to take stock to see whether the trade unions in India are at the centre stage or in periphery. In order to do that, one may peruse the following relevant, though selective, statistics.

The Indian workforce 31.479 Crore (314.79 million) constitutes 37.3 percent of the total population. Of the total workforce, 91.5 percent is accounted for by the informal sector, while the formal sector accounts for 8.5 percent. Further, only about 3 Crore (30 million) (i.e. 9.5 percent of the workforce) are employed on permanent basis, implying 90.5 percent being employed on casual basis. It has also been reported that by December 1991, the claimed membership of the Indian trade union movement was 3.05 Crore (30.5 million) (i.e. 9.68 percent of the workforce) with 82.24 percent of the trade union membership being accounted for by the organised sector. Thus the unorganised sector is meagrely represented.

The World Labour Report summarises the trade union situation in India "Indian unions are too very fragmented. In many work places several trade unions compete for the loyalty of the same body of workers and their rivalry is usually bitter and sometimes violent. It is difficult to say how many trade unions operate at the national level since many are not affiliated to any all- India federation. The early splits in Indian trade unionism tended to be on ideological grounds each linked to a particular political party. Much of the recent fragmentation, however, has centered on personalities and occasionally on caste or regional considerations."

### **GROWTH OF TRADE UNION MOVEMENT IN INDIA**

#### **The First Strike**

The origin of the movement can be traced to sporadic labour unrest dating back to 1877 when the workers at the Empress mills at Nagpur struck following a wage cut. In 1884, 5000 Bombay Textile Workers submitted a petition demanding regular payment of wages, a weekly holiday, and a mid-day recess of thirty minutes. It is estimated that there were 25 strikes between 1882 and 1890. These strikes were poorly organised and short lived and inevitably ended in failure. The oppression by employers was so severe that workers preferred to quit their jobs rather than go on strike. Ironically, it was to promote the interests of British industry that the conditions of workers were improved. Concerned about low labour costs, which gave an unfair advantage to Indian factory made goods, the Lancashire and Manchester Chambers of Commerce agitated for an inquiry into the conditions of Indian Workers.

#### **The First Factories Act**

In 1875, the first committee appointed to inquire into the conditions of factory work favoured legal restriction in the form of factory laws. The first Factories Act was adopted in 1881. The

Factory Commission was appointed in 1885. The researcher takes only one instance, the statement of a witness to the same commission on the ginning and processing factories of Khandesh: "The same set of hands, men and women, worked continuously day and night for eight consecutive days. Those who went away for the night returned at three in the morning to make sure of being in time when the doors opened at 4 a.m., and for 18 hours' work, from 4 a.m. to 10 p.m., three or four annas was the wage. When the hands are absolutely tired out new hands are entertained. Those working these excessive hours frequently died." There was another Factories Act in 1891, and a Royal Commission on Labour was appointed in 1892. Restrictions on hours of work and on the employment of women were the chief gains of these investigations and legislation.

### **CTUOs in India (Central Trade Union Organisations)**

At present there are twelve CTUOs in India as follows:

1. Bharatiya Mazdoor Sangh (BMS)
2. All India Trade Union Congress (AITUC)
3. Centre of Indian Trade Unions (CITU)
4. Hind Mazdoor Kisan Panchayat (HMKP)
5. Hind Mazdoor Sabha (HMS)
6. Indian Federation of Free Trade Unions (IFFTU)
7. Indian National Trade Union Congress (INTUC)
8. National Front of Indian Trade Unions (NFITU)
9. National Labour Organisation (NLO)
10. Trade Unions Co-ordination Centre (TUCC)
11. United Trade Union Congress (UTUC) and
12. United Trade Union Congress - Lenin Sarani (UTUC - LS)

### **The role of trade unions has changed**

The power of trade union has been gradually eroded over the last 20 years. This is due to a number of reasons:

- Laws passed by Conservative government during 1980's and 1990's which have weakened the power of trade unions
- Decline in trade union membership

- Change in structure of industry from heavily unionised manufacturing industry towards service sector businesses. Also more women and part-time workers who are less inclined to join unions.

### **The future of trade unions**

'Unions were of course very important once upon a time, but their job has been done. The age of mass production is over. The new world is all about individual relationships, and unions will wither away. A glorious past perhaps, but no real future.'

### **People Join Trade Unions**

The main reason people join trade unions is so that they can have better pay and working conditions and union protection if there is a problem at work.

The table below shows the result of a survey which looked at the reasons why people join trade unions and why they remain union members.

<b>Reason</b>	<b>New members %</b>	<b>Members %</b>
Support if I have a problem at work	81.5	65.9
Improved pay and conditions	42.0	39.6
Most people at work are members	15.4	32.5
I believe in trade unions	18.2	37.5
Industrial benefits/services	7.4	9.1
Financial services	3.5	2.5
Other	6.8	5.3

### **The Role of Trade Unions In Industrial Disputes**

Most "collective bargaining" takes place quietly and agreements are quickly reached by the union and the employer. Occasionally disagreements do occur and the two sides cannot agree. In these cases the union may decide to take industrial action.

Industrial action takes different forms. It could mean an over time ban, a work-to-rule or a strike. There are strict laws which unions have to follow when they take industrial action. A strike is only called as a last resort. Strikes are often in the news but are rare. Both sides have a lot to lose. Employers lose income because of interruptions to production or services. Employees lose their salaries and may find that their jobs are at risk.

The Advisory, Conciliation and Arbitration Service (ACAS) is often used to help find a solution to a dispute which is acceptable to both sides. Since 1979 the Conservative Government has introduced many changes to the laws on employment rights and on trade union affairs.

Many other European countries are currently improving their employment rights and increasing employee consultation. Recent legislation in Britain goes against this trend. It removes many employment rights for many people at work and curbs trade union activities. The TUC believes

that the laws were introduced due to the Government's hostility to trade unions and because the Government believes that employment rights are a burden on business.

### **The Impact Of Trade Unions On Business**

Trade unions recognise that organisations must be competitive in the global markets if they are to be successful and provide secure employment for employees. The agenda for trade unions in the 1990s is working in partnership with employers to improve businesses and services.

#### **Trade unions have an important role in:**

- improving communication between employees and managers so that employees can understand and be committed to the organisation's objectives
- negotiating improvements to pay and working conditions so that people feel more satisfaction at work and stay longer in their jobs.
- encouraging companies to invest in training and development so that employees have the skills necessary for improved products and services
- acting as a positive force for change - by winning employees' support to the introduction of new technologies and work organisation

The rise of enterprise unionism in important metros like Madras, Bangalore, Bombay and even Calcutta (Davala 1994; Ramswamy 1988) was mainly due to frustrations with and failure of the "political unionism model". The main defect of it is that political interests often ruled over labour organizational interests and generated splits in the union movement and hence weakened union power. Secondly, conflicts between the ruling political parties and their labour wings have flourished during the reform period e.g. the spat between the BJP and the BMS (Thengadi's scathing comments against Yashwant Sinha's infamous inclusion of labour reform proposals in the Budget in 2001), the growing disconnect between the CPI (M) and the CITU in West Bengal (Bhattacharjee 2001, Shyam Sundar 2009 c), the murmurs of protest from INTUC on some of the reform matters such as provident fund interest rates and reform of employment security laws and so on. Thirdly, the political parties irrespective of their ideological orientation strongly sought to pursue labour reform measures and these angered trade unions including the labour wings of the political parties concerned. It is another matter that the political parties opposed labour reform measures when in opposition, though they sought to implement them when in power either at the centre or state level! Finally, trade union federations have realized the futility of subordinating union organizational politics to party politics (Shyam Sundar 2008 b). These have important implications for trade union actions and strategies in the post-reform period.

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