

Unit—II : Trade Unions: Trade Union Structure and Movement in India – Changing Role in the Context of Liberalisation

Meaning and Definition:

Trade union is a voluntary organisation of workers formed to protect and promote their interests through collective action. It may be formed on plant basis, industry basis, firm basis, regional basis or national basis. Different writers and thinkers have defined the trade union differently.

Trade union is a “continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives.”

—Web

“A trade union means an association of workers in one or more occupation— an association carried on mainly, for the purpose of protecting and advancing the members’ economic interests in connection with their daily work’.

—G.D.H. Gole

A trade union is a continuous association of persons in industry, whether employers, employees or independent workers—formed primarily for the purpose of the pursuit of the interest of its members and of the trade they represent.

—The Trade Union Act 1926

Objectives of Trade Union:

1. To improve the economic lot of workers by securing them better wages.
2. To secure for workers better working conditions.
3. To secure bonus for the workers from the profits of the enterprise/organization.
4. To ensure stable employment for workers and resist the schemes of management which reduce employment opportunities.
5. To provide legal assistance to workers in connection with disputes regarding work and payment of wages.
6. To protect the jobs of labour against retrenchment and layoff etc.
7. To ensure that workers get as per rules provident fund, pension and other benefits.
8. To secure for the workers better safety and health welfare schemes.
9. To secure workers participation in management.
10. To inculcate discipline, self-respect and dignity among workers.
11. To ensure opportunities for promotion and training.
12. To secure organizational efficiency and high productivity.
13. To generate a committed industrial work force for improving productivity of the system.

Functions of Trade Unions:

- i. Collective bargaining with the management for securing better work environment for the workers/ employees.
- ii. Providing security to the workers and keeping check over the hiring and firing of workers.
- iii. Helping the management in redressal of grievances of workers at appropriate level.
- iv. If any dispute/matter remains unsettled referring the matter for arbitration.
- v. To negotiate with management certain matters like hours of work, fringe benefits, wages and

medical facilities and other welfare schemes.

- vi. To develop cooperation with employers.
- vii. To arouse public opinion in favour of labour/workers.

Benefits of Trade Union:

Workers join trade union because of a number of reasons as given below:

1. A worker feels very weak when he is alone. Union provides him an opportunity to achieve his objectives with the support of his fellow colleagues.
2. Union protects the economic interest of the workers and ensures a reasonable wage rates and wage plans for them.
3. Union helps the workers in getting certain amenities for them in addition to higher wages.
4. Union also provides in certain cases cash assistance at the time of sickness or some other emergencies.
5. Union organize negotiation between workers and management and are instruments for settlement of disputes.
6. Trade union is also beneficial to employer as it organizes the workers under one banner and encourages them follow to peaceful means for getting their demands accepted.
7. Trade union imparts self-confidence to the workers and they feel that they are an important part of the organization.
8. It provides for promotion and training and also helps the workers to go to higher positions.
9. It ensures stable employment for the workers and opposes the motive of management to replace the workers by automatic machines.
10. Workers get an opportunity to take part in the management and oppose any decision which adversely effects them.

Trade Union Movement in India

The six phases of trade union movement in India are as follows: A. Pre-1918 Phase B. 1918-1924 Phase C. 1925-1934 Phase D. 1935-1938 Phase E. 1939-1946 Phase F. 1947 and Since.

Trade unionism is a world-wide movement. The evolution and growth of trade unionism has been sine qua non with growth in industrialisation. Accordingly, the evolution of trade unionism in India is traced back towards the latter half of the nineteenth century.

The origin and development of trade union movement in India may well be studied under distinct phases with their distinguishing features from others.

A. Pre-1918 Phase:

The setting up of textiles and jute mills and laying of the railways since 1850 payed the way for that emergence of industrial activity and, in turn, labour movement in India. Some researchers have traced the origin of labour movement in India dated back to 1860. However, most of the writers on the subject trace the history of labour movement in India since 1875.

The first labour agitation, under the guidance and leadership of Mr. S. S. Bengalee, a social reformist and philanthropist, started in Bombay in 1875 to protect against the appalling conditions of workers in factories, especially those of women and children and appealed to the authorities to introduce legislation for the amelioration of their working conditions.

As a result, the first Factory Commission was appointed in Bombay in the year 1875 and the first Factories Act was passed in 1881. Mr. N. M. Lokhande may be said to be the founder of organised labour movement in India who founded the first trade union in the country, namely, the Bombay Mill Hands Association (1890).

This was followed by a series of associations such as the Amalgamated Society of Railway Servants in India (1897), The Printers' Union of Calcutta (1905), The Madras and Calcutta Postal Union (1907), and the Kamgar Hitwardhak Sabha (1910). All these unions aimed at promoting welfare facilities for workers and spreading literacy among them.

The broad features of the labour movement during the pre-1918 phase may be subsumed as:

1. The movement was led mostly by the social reformers and philanthropists and not by the workers.
2. There was, in fact, no trade union in existence in the true sense.
3. The labour movement was for the workers rather than by the workers.
4. The movement was confined to the revolt against the conditions of child labour and women workers working in various industries under appalling conditions.

B. 1918-1924 Phase:

The phase 1918-1924 is considered as the era of formation of modern trade unionism in the country. The trade union movement got momentum just after the close of the World War I. The postwar economic and political conditions contributed to the new awakening of class consciousness among the workers. This led to the formation of trade unions in the truly modern sense of the term.

As a result, Ahmedabad Textile Labour Association (1917), led by Shrimati Ansuyaben Sarabhai; the Madras Labour Union (1918), led by B. P. Wadia; Indian Seamen's Union, Calcutta Clerk's Union; and All India Postal and RMS Association were formed.

The various factors that influenced the growth of trade union movement in India during this phase may be briefly catalogued as follows:

1. The wretched conditions of workers on account of spiralling prices of essential commodities during the post-World-War I led workers to form trade unions to improve their bargaining power and, in turn, living conditions.
2. The political scenario characterized by the home-rule movement and the martial law in Punjab made the politicians to recognize the workers movement as an asset to their cause. At the same time, workers also needed able guidance and leadership from the politicians to settle their grievances with the employers.
3. The Russian Revolution also swayed the labour movement in India showing a new social order to the common man in the country.
4. The setting up of the International Labour Organisation (ILO) in 1919 also gave a big fillip to the labour movement in India. India becoming a founder-member of the ILO required deputing delegates to the ILO. Mr. N. M. Joshi for the first time was deputed as the representative from India to International Labour Conferences and Sessions. It ignited workers' anxiety to organize. As a result, the All India Trade Union Congress (AITUC) was formed in 1920. By 1924, the trade union movement in India proliferated to the extent of 167 trade unions with a quarter million members.

This period in the history of trade union movement has been described as the Early Trade Union Period.

C. 1925-1934 Phase:

With increasing hardships of workers, the signs of militant tendencies and revolutionary approach in trade unionism got expression into violent strikes since 1924. The communists gained influence in L trade union movement during this period. They split the Trade Union Congress twice with their widening differences with the left-wing unionists.

The moderate section under the leadership of Mr. N. M. Joshi and Mr. V. V. Giri seceded from the Congress and set up a separate organization named the National Trade Unions Federation (NTUF).

Another split in AITUC took place in 1931 at its Calcutta session when the extreme left wing under the leadership of Messrs S. V. Deshpande and B T Randive broke away and formed a separate organization, namely, the All India Red Trade Union Congress Two Years later, the National Federation of Labour was formed to facilitate unity among all the left-wing organizations of labour. As a result, the AITUF and NFL merged to form the National Trade Union Federation (NTUF).

Another important feature of this period was the passing of two Acts, namely, the Trade Unions Act 1926 and the Trade Disputes Act, 1929 which also gave a fillip to the growth of trade unionism in India. The former Act provided for voluntary registration and conferred certain rights and privileges upon registered unions in return for obligations. The later Act provided for the settlement of trade unions. This phase of the Indian labour movement may be described as The Period of Left Wing Trade Unionism.

D. 1935-1938 Phase:

The Indian National Congress was in power in seven provinces in 1937. This injected unity in trade unions. As a result, the All India Red Trade Union Congress itself with the AITUC in 1935. After three years in 1938, the National Trade Union Congress (NTUC) also affiliated with the AITUC. Other factors that contributed to the revival of trade unions were increasing awakening among the workers to their rights and change in the managerial attitude towards trade unions.

In 1938, one of the most developments took place was the enactment of the Bombay Industrial Disputes Act, 1938. An important provision of the Act, inter alia, to accord compulsory recognition of unions by the employers gave a big fillip to the growth of trade unionism in India.

E. 1939-1946 Phase:

Like World War I, the World War II also brought chaos in industrial front of the country. Mass retrenchment witnessed during the post-World War II led to the problem of unemployment .This compelled workers to join unions to secure their jobs. This resulted in big spurt in the membership of registered trade unions from 667 in 1939-40 to 1087 in 1945-46.

Somuchso workers in the registered trade unions witnessed a phenomenal increase from 18,612 to 38,570 during the same period. The AITUC again split in 1941 when Dr. Aftab Ali, President of the Seamen s

Association, Calcutta disaffiliated his union from the Congress and formed a new organization known as the “Indian Federation of Labour”.

The year 1946 was also marked by two important enactments, namely, the Industrial Employment (Standing Orders) Act, 1946 and the Bombay Industrial Relations Act, 1946. Both the Acts, through their provisions, contributed to strengthen the trade unionism in the country.

F. 1947 and Since:

Proliferation of trade unions in the pattern of proliferation of political parties has been a distinguishing feature in the trade union history of India during the post-Independence period. In May 1947, the Indian National Trade Union Congress (INTUC) was formed by the nationalists and moderates and was controlled by the Congress Party. Since by then, the AITUC is controlled by the Communists.

The Congress socialists who stayed in AITUC at the time of the formation of INTUC subsequently formed the Hind Mazdoor Sabha (HMS) in 1948 under the banner of the Praja Socialist Party. Subsequently, the HMS was split up with a group of socialist and formed a separate association, namely, “Bhartiya Mazdoor Sabha” (BMS) which is now an affiliate of the Bhartiya Janata Party (B JP). Years after, the communist party split into various fractions forming the United Trade Union Congress (UTUC) and the Center of Indian Trade Unions (CITU).

Later again, a group disassociated itself from the UTUC and formed another UTUC—Lenin Sarani. Of late, with the emergence of regional parties since 1960, most of the regional parties have shown its inclination to a trade union wing, thus, adding to the proliferation of trade unions in the country. Thus, it is clear that the origin and growth of trade union movement in India is riddled with fragmented politicization.

At present, there are 8 central trade union organisations. Of these, four major federations with their national network are:

1. All India Trade Union Congress (AITUC)
2. Indian National Trade Union Congress (INTUC)
3. Bhartiya Mazdoor Sangh (BMS)
4. Centre of Indian Trade Unions (CITU)

Table 26.2: gives some idea about the growth of the trade union movement in India.

Table 26.2: Growth of the Trade Union Movement in India:

<i>Year</i>	<i>Number of Registered Trade Unions</i>	<i>Number of unions furnishing information</i>	<i>Membership of the unions submitting Returns (In lakhs)</i>
1951-52	4,623	2,556	20
1961-62	11,614	7,087	40
1971	22,484	9,029	55
1981	35,539	6,082	54
1987	49,329	11,063	79
1990	52,016	8,828	70
1993	55,784	6,806	49.8

The membership scenario of the major central trade unions is borne out by the following Table 26.3.

Table 26.3: Union Membership as on end March, 1994

<i>Trade Union</i>	<i>Membership Claimed</i>	<i>Membership Verified</i>	<i>Political Affiliation</i>	<i>Year of Establishment</i>
INTUC	54,35,705	25,87,378	Congress	1947
AITUC	29,73,933	9,05,975	CPI	1920
HMS	43,56,034	13,18,804	PSP	1948
CITU	23,86,242	17,68,044	CPI(M)	1970
BMS	40,81,424	27,69,556	BJP	1955

It is clear from the Table 26.3 that the BMS which is an affiliate of the Bhartiya Janata Party has secured the top position in terms, of membership of 27.69 lakh accounting for 30.10% membership. INTUC, CITU and HMS follow in that order in terms of their share in total membership.

to the challenges thrown up by globalisation and develop new strategies to face these? Given the present orientation of the mainstream trade union movement in the country, this seems unlikely in the near future. The Effect of the Trade Unions towards Liberalisation & Globalisation

Trade unions have by and large opposed the liberalisation policies. They have organised nationwide strikes, bandhs (literally, stoppages) and rallies in different parts of the country. These have hardly had any effect in changing the policies. The only assurance given so far is that there will be no exit policy'. This is of little value, as we have seen earlier, as workers continue to lose their jobs through VRS and lay-offs caused by downsizing.

It is evident that all these forms of conventional protests may not be sufficient. There is need for undertaking a revaluation of the situation and developing new forms of opposition as well as alternatives to the present policies. While it cannot be denied that traditional means of protest including mass action play an important role in mobilisation of the working class and making them articulate their problems collectively, these methods may not achieve the purpose in the changing circumstances of globalisation and its onslaughts on workers' rights.

Ever since the liberalisation policies were introduced, the government and the media have presented a positive and vibrant picture of a 'new' India. In such a situation, the role of organised labour through trade unions is not appreciated. It is projected that organised labour tries to raise unnecessary and unreasonable protests against the new policies. These views are widely accepted by the growing middle class which is the greatest supporter of liberalisation.

One of the weaknesses of the trade union movement during these critical times for labour was that it had by and large restricted itself to unionising labour in the formal sector ignoring the vast pool of labour in the informal sector. The verification of union membership by the Labour Department in 1987 showed that of the total membership of the seven recognised national federations, only one per cent of their membership lay in the informal sector.

Even when the informal sector exists within the formal sector, trade unions have tended to overlook them. A study of contract and casual labour in eight industries showed that casual and contract labour formed between 30 and 50 per cent of the labour force (Davalala 1993). Except in one industry, tea, these workers were not unionised. In some cases, unionised workers regarded them as rivals who would take away their jobs. Rare instances like SEWA apart there are hardly any instances of trade unions in the informal sector. We shall return to this issue of unionising the informal sector later.

Fortunately, the national trade unions have tried to overcome this deficiency by enrolling informal sector workers in the unions. However, despite the increase in strength, trade unions are still ignored by government and the media whenever they stage protests.

Protests in some industries though, depending on their strategic importance, can be more effective in highlighting the cause of the workers. For example, a strike in the banking industry for a single day can paralyse the economy; however, even if five times the number of agricultural workers strike it might hardly be noticed. The unfortunate part of this process of change is that the authorities and a large section of the public have become insensitive to the problems of the working class.

At the same time, globalisation is something that cannot be wished away. It has led to a degree of pauperisation and insecurity of the working class all over the world. Labour in developed countries too has to face its consequences. For example, the outsourcing process reduces secure jobs in developed countries and it creates insecure jobs in the developing ones. But is this new for human society? Any sudden change results in situations that are not easily perceived. It therefore gets labelled as anti-people and there are moves to oppose it.

Globalisation has raised certain challenges for the working-class movement. The question now is: can the labour movement adapt itself to face these challenges? Or rather, the question can be reframed as: is the labour movement willing to adapt

Trade union strategies, as of now, revolve around two issues: firstly, use of traditional means of protest, such as strikes, rallies and bandhs, whenever the issue of closure or redundancy arises in the organised sector; and secondly, the issue of opposing globalisation itself. Both strategies have achieved limited

success in their objectives. The question is therefore not of opposing globalisation per se, but rather, how best the interests of the working people can be safeguarded.

In other words, is mere opposition enough to combat the adverse effects of globalisation or should the labour movement promote some positive alternatives? A related, but more crucial, question is: can trade unions function merely as opposition bodies, or, should they offer alternatives? This is the crucial question facing the labour movement today.

