

CHAPTER-II

ROLE OF TRADE UNIONS & MANAGEMENT ASSOCIATIONS AND THEIR PRESENT TREND IN INDIA

2.1 INTRODUCTION

With the changed social, political and educational environment in terms of awareness of right, trade unions are considered a major component of industrial relations system. Workers union plays an crucial role to protect the interest of its members. Therefore, this chapter focuses on the need of labour unions, significance and role of union, and welfare activities in sugar industries in the study region.

Trade unions are those organisations of employees/workers who work for the maintenance and enhancement of their economic status by insisting on a rise in money wages and improvement in working conditions and benefits. Besides this economic objective, there are other dimensions of trade unions which have gained importance in the context of the changing socio-political environment. The workers is not only a factor of production but an individual whose total life situation is a matter of concern for the trade unions. Gandhiji viewed trade unions as moral institutions aiming at making the workers better individuals and responsible citizens. Trade unions are considered to be institutions experimenting with industrial democracy which

would strengthen democracy. Traditionally, trade unions have been resistance organisations defending the interests of workers and see to it that they are not exploited. They have also been viewed as instruments of change in the socio-political system so that workers may have their own government and prevent their exploitation.

Different authors have defined a trade union in different ways. However, the various definitions of a trade union exhibit two important features, i.e., in the first place, a trade union is defined usually in the light of the functions it is expected to perform. Though there is a diversity of opinions in regard to the role of trade unions in the working class movement, yet all agree to the fundamental purpose of trade unionism, viz., the pursuit of the economic interests of the members. Secondly, a trade union is confined to workers alone. The Webbs¹ defined a trade union as "a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives." According to G.D.H. Cole, "a trade union means an association of workers in one or more occupations - an association carried on mainly for the purpose of protecting and advancing the members' economic interests in connection with their daily work"² Lester³ defines a trade union as "an association of employees designed primarily to maintain or improve the conditions of employment of its

¹ Webb, Sydney & Webb, Beatrice: History of Trade Unionism, London, 1920, p.1.

² Cole, G.D.H. : An Introduction to Trade Unionism, p. 13.

³ Lester, R.A. : Economist of Labour, p.539.

members". J. Cunnison⁴ defines a trade union as "a monopolistic combination of wage-earners who stand to the employers in a relation of dependence for the sale of their labour and even for its production; and that the general purpose of the association is in view of that dependence to strengthen their power to bargain with the employers."

2.2 OBJECTIVES AND NEED OF TRADE UNIONS

Unions concentrate their attention to achieve the following objectives:

(A) Wages and Salaries : The subject which drew the major attention of the trade unions are wages and salaries. This item may be related to policy matters. However, differences may arise in the process of their implementation. In the case of unorganised senior the trade union plays a crucial role in bargaining the pay scales.

(B) Working Conditions : Trade unions with a view to safeguard the health of workers demand the management to provide all the basic facilities such as lighting and ventilation, sanitation, rest rooms, safety equipment while discharging hazardous duties, drinking water, refreshment, minimum working hours, leave and rest, holidays with pay, job satisfaction, social security benefits and other welfare measures.

⁴ Cunnison J, 'Labour Organisation' London, 193; p-13.

(C) Personnel Policies : Trade unions may fight against improper implementation of personnel policies in respect of recruitment, selection, promotions, transfers, training, etc.

(D) Discipline : Trade unions not only conduct negotiations in respect of the items with which their working conditions may be improved but also protect the workers from the clutches of management whenever workers become the victims of management's unilateral acts and disciplinary policies. This victimisation may take the form of penal transfers, suspensions, dismissals etc. In such a situation the separated worker who is left in a helpless condition may approach the trade union. Ultimately, the problem may be brought to the notice of management by the trade union, which explains about the injustice meted out to an individual worker and fights the management for justice. Thus, the victimised worker may be protected by the trade union.

(E) Welfare : As stated earlier, trade unions are meant for the welfare of workers. Trade union works as a guide, consulting authority and cooperates in overcoming the personal problems of workers. It may bring to the notice of management, through collective bargaining meetings the difficulties of workers in respect of sanitation, hospitals, quarters, schools and colleges for their children's cultural and social problems.

(F) Employee-Employer Relations : Harmonious relations between the employees and employer are sine quanon for industrial peace. A trade union always strives for achieving this objective. However, the bureaucratic attitude and unilateral thinking of management may lead to conflicts in the organisation which, ultimately, disrupt the relations between the workers and the management. Trade union, being the representative of all the workers, may carry out continuous negotiations with the management with a view to promoting industrial peace.

(G) Negotiating Machinery : Negotiations include the proposals made by one party and the counterproposals of the other. This process continues until the parties reach an agreement. Thus, negotiations are based on the give and take' principle. Trade union, being a party for negotiations, protects the interests of workers through collective bargaining. Thus, the trade union works as the negotiating machinery.

(H) Safeguarding Organisational Health and the Interest of the Industry : Organisational health can be diagnosed by methods evolved for grievance redressal and techniques adopted to reduce the rate of absenteeism and labour turnover and to improve the employee relations. Trade union by their effective working may achieve employee satisfaction. Therefore trade unions help in reducing the rate of absenteeism, labour turnover and developing systematic grievance settlement procedures leading to

harmonious industrial relations. Trade unions can thus contribute to the improvements in level of production, productivity and discipline thereby improving quality of work-life.

Need For Trade Unions

Why do workers organize themselves into a trade union? It is however, a significant question. The worker joins a trade union for a variety of reasons, but he may be no more conscious of the motive or motives that prompt him to join a union. The trade unions are the organizations formed by working male and female workers both to improve the conditions of labour and to further to attain better life.

- (i) The individual workers all alone feels specially weak in a world of mass production and mass movement. An organization may give him an opportunity to join others for the achievement of those objectives that he considers as socially desirable.
- (ii) The basic purpose of trade union is to safeguard the economic interests of its members. One of the problems in the life of the workers is how to provide sufficient food, clothing and a home for himself and for the members of his family. This is first and foremost a question of finding a job on a reasonable wage. To improve and maintain the wage at

a reasonable standard is one of the primary reasons for which a worker joins a trade union.

- (iii) A worker does not only require the bare necessities of existence but he also wants to obtain the amenities of civilized life, e.g., a better home, more leisure, better conditions of work, etc. The workers also join the trade unions, to a very large extent, because they have interests such as these to promote or defend.
- (iv) The need for trade unions arises due to this fact also that the workers require help in time of sickness or death, protection from suffering and want when they are not of a job and an income of some kind when they are too old to work any more.
- (v) There is another reason for the existence of trade unions, viz., need for adequate machinery for settling the relations between the employers and employees. In modern industry the old personal relationship between the employers and the workers largely disappears. The worker may become dissatisfied with his working conditions or the treatment of his employers while the employer may feel that he has reason for complaint against the workers. With the growth

to industry the number of such questions to be settled increases and it is much better to adjust these differences by agreement between the employers and employees through negotiations. Thus, a trade union is the best and socially most desirable to conduct bargaining on behalf of the workers and the development of collective bargaining between the employers' and workers' organizations is an essential basis for the establishment of peace in industry.

- (vi) Trade unions developed on proper lines lessens violent class conflicts and, thus, is beneficial to employers, the employees, the state and the public. It is, thus, clear that no agency formed or promoted to look after the interests of the workers can be a real substitute for trade unions. The organization of workers is, therefore, not only necessary but also inevitable.

2.3 FUNCTIONS OF TRADE UNIONS

Trade unions in present era of industrial development, perform two sets of functions: the "Militant Functions and the Fraternal Functions." The trade union is a militant organisation designed to fight for the cause of the workers. One of the main aims of the organisation of workers into trade union is to secure better conditions of work and employment. The trade

unions try to fulfill this aim by the method of collective bargaining and negotiations and if they do not succeed in securing their purpose in this manner, they put up a fight with the employers for achieving their end in the form of strikes and boycotts. More recently, the trade unions have started making efforts to secure some share in the profits and also control of the industry. Then, the trade union is also a fraternal association, a benefit organization, providing sickness and accident benefits to the members and supporting them during strikes and lockouts and during the period when they are temporarily out of work. Such financial help to the members is given by the trade unions out of their own funds created through subscriptions by members. Such functions are known as fraternal functions : However, in modern period, the various functions are performed by trade unions as pointed out below:

- (A) **Militant or protective or intra-mutual functions :** These functions include protecting the workers' interests, i.e., hike in wages, providing more benefits, job security, etc. through collective bargaining and direct action such as strikes, gheraos, etc.
- (B) **Fraternal or extra-mutual functions :** These functions include providing financial and non-financial assistance to workers during the periods of strikes and lock-outs, extension of medical

facilities during slackness and casualties, provision of education, recreation, recreational and housing facilities, provision of social and religious benefits, etc.

(C) Political functions : These functions include affiliating the union to a political party, helping the political party in enrolling members, collecting donations, seeking the help of political parties during the periods of strikes and lock-outs.

(D) Social functions : These functions include carrying out social service activities, discharging social responsibilities through various sections of the society like educating the customers etc.

From above cited functions, one cannot take a static view of the functions which trade unions have to perform in the larger interests of the community. In every country the role of the trade unions has to change depending on the stage of economic and social development. It also depends on the strength of the unions, both organisational and financial, and also to a great extent on the institutional set-up of the society in which they operate. For instance, in France and the Netherlands, unions are required statutorily to be consulted on any draft legislation dealing with economic and social issues. In Sweden, unions participate at the level of the Planning Commission and are responsible for the implementation of labour and social security legislation. The range of responsibilities of the unions covers the

experience of co-determination in the Federal Republic of Germany and workers' control over industrial establishments in Yugoslavia. In Denmark, unions participate at the level of the Economic Council. In the U.S.A. and in Australia, the contacts of unions with governmental authorities are less formal. Like unions' participation in framing and implementation of social and economic policies, their consciousness of community responsibility varies from country to country depending upon the extent of wage employment.

In the early stages of their growth, unions in many countries concerned themselves primarily with their members' interests, but took on wider functions in due course. Thus trade unions have become far more developed than their forerunners undertaking a wider range of functions and having a clearer perception of their ultimate aims. As put by John Price,⁵ "The trade union of today is not content with protecting and improving wages and conditions of labour; it concerns with all matters by which the workers are likely to be affected whether as producers or consumers, whether as units of industrial manpower or as citizens." It has been aptly put by Professor Laski that, "Trade unions today are pluralist in character and pragmatic in method; if they are not, they are unlikely to survive the demands made upon them by so swiftly changing an environment."⁶

⁵ Price, John: Op. Cit., p.34

⁶ Laski, H.J. : Op. Cit, p.28.

Social Responsibilities of Trade Unions

- (i) To educate the rank and file workers so that the traditional agitational role be gradually transformed into one of understanding and co-operation;
- (ii) To keep the well-being and progress of the society constantly before them by way of refraining from unnecessary strikes work stoppage, go-slow intimidation;
- (iii) To protect the interests of the consumer which is usually lost sight of in bipartite agreements reached between the parties;
- (iv) To discharge their role in the success of the schemes for planned economic development of the country, maximizing production and distribution in an equitable manner. According to the first plan document, "for the successful execution of the plan,' the co-operation of the trade unions and employers is indispensable." The Second Plan document also emphasized that, "a strong trade union movement is necessary both for safe guarding the interests of labour and for realizing the targets of production";
- (v) To adopt themselves to charging social needs and to rise above divisive forces of caste, religion and language and to

help in promoting national, social and emotional integration at all levels.

- (vi) To instil in their members a sense of responsibility towards industry and the community. Further they should seek to harmonise the sectional goals of their members with the community interests in the larger good of the society;
- (vii) To organise the unorganized sections of the working class in the rural and urban areas and help these groups in organising themselves. They should involve themselves more in the upliftment of those below the poverty line, rather than strive for achieving more comforts for the privileged section of the organised labour.
- (viii) To encourage capital formation by supporting small savings schemes;
- (ix) To support modernization of equipment and rationalization programmes;
- (x) To work for a stable social order by establishing industrial democracy and social justice; and
- (xi) To help in holding the price line by keeping a vigilant watch on prices.

Workers organise themselves into unions primarily to protect their own interests. The foremost responsibilities impose on them the obligation to preserve and strengthen internal democracy. To achieve this, trade unions have to improve their internal administration, instill voluntary discipline and responsible conduct among workers, strive to resolve the problems of rivalry and work for the creation of a unified trade union movement. The protection of the interests of the union members is restricted not only to a narrower sphere of their jobs but also extends to a broader sphere to serve their members through the establishments and promotion of co-operatives, cultural and welfare organisations and by helping them to utilize other social services provided by the community. Another social responsibility of trade unions is in the area of making a common cause to fight all evils in society-economic, social and political, such as hoarding, black-marketing and speculation. This brings about a close relationship between the workers, their unions and the community. The task before our country is not simply limited to getting some higher benefits for labour but extends to a basic transformation of the relationship among the different groups in society. The trade unions can act as one of the major instruments in bringing about social change and economic progress.

In the words of the planning commission, "trade unions have a vital and constructive role in improving the quality of life of the workers. They

should evince greater interest in welfare programmes for their members, such as education including literary, health and family planning, and recreational and cultural activities. They can also promote personal and environmental hygiene and a sense of thrift and savings. Government can consider some financial aid to those trade unions which take up such welfare activities. Such involvement in constructive activities would help the trade unions in furthering the interests of their members."⁷

The responsibilities which the unions have to undertake for the community cannot be discharged unless the members themselves are served better. Here, the society has to discharge its responsibility towards labour and the trade union. The trade union movement cannot function effectively unless the society ensures democratic rights and civil liberties to its members and caters to their economic and social interests. Thus, we find that labour, capital and society have common interests which have to be satisfied to ensure their survival and growth. Once these common interests are acknowledged by the three parties, it becomes easier for them to discharge their responsibilities to each other in an atmosphere of harmony and mutual co-operation.

⁷ Govt. of India, Planning Commission, New Six Five Year Plan, (1980-85), p.405.

2.4 SIGNIFICANCE AND ROLE OF UNIONS

In this section we shall discuss both (A) significance and (B) role of trade unions.

(A) Significance of Trade Unions

On the whole trade unions do very significant work and have supplied a long felt need and filled an important gap. A strong trade union is a guarantee of industrial peace and makes for stability of industry. Any decision agreed upon collectively by workers is bound to command obedience of and respect among the general body of workers and employers also cannot afford to treat such decisions in a light manner. They not only bring about improvement in the conditions of work, employment and wages of workers but also lead to great efficiency among workers and create a feeling of self respect and confidence among them. They do useful work for labourers during the period of sickness and accident benefits and support them during unemployment or during strike and lockouts. They also arrange the legal assistance to workers, if necessary, besides, they undertake many welfare measures for their members, e.g. running schools for the education of children or having their own library or reading rooms, or providing many in-door and outdoor games and other recreational facilities. Some trade unions go so far as to undertake housing schemes for their workers and undertake publication of some magazines or journals.

Trade Unions and Wages

This is a question which has led to a great difference of opinion and much theoretical discussions in the history of economic thought. The classical economists thought that trade unions could not raise wages permanently, because wages could be raised only at the expense of profits and a fall in profits, by reducing industrial activities would reduce demand for labour. Thus either wages must be reduced or unemployment must be faced. However the modern economists agree that trade unions can have a great influence on wages. The power of trade unions to raise general wages by direct means may not be very great, but trade unions, by co-operating with general economic forces, which make for an increase of wages. This can be done in two ways: Firstly, trade unions can ensure that labour is paid to the full value of its marginal productivity. By improving the bargaining power, trade unions can raise wages up to the marginal productivity level. Secondly, trade unions can improve the marginal productivity itself and raise wages permanently. Thirdly, trade unions can also increase the wages in a particular trade by restricting the supply of workers in that trade.

In practice, we find that trade unions not only increase nominal wages by improving the marginal productivity or by restricting the supply of labour, but they also bring about a rise in the real wages of workers, by improving the conditions of work and employment, and by forcing the

employers to pay a share in the profit in the form of bonus dearness allowance etc. from time to time.

(B) ROLE OF TRADE UNIONS

Trade Unions perform the following role in different spheres.

- (i) Sectional Bargainer - Interests of the workers at plant, industry, national level multiplicity of unions, Crafts Unions, white Collar Union, etc.
- (ii) Class Bargainer - Unions representing the interest of the class as a whole - In France Agricultural Unions, Federation of unions, Civil Servants Union, etc.
- (iii) Agents of State - As in U.S.S.R., ensuring targets of production at fixed price. In the 1974 Railway strike, INTUC stood behind Gove. and its agent.
- (iv) Partners in Social Control - Co determinator in Germany. Also, some examples are found in Holland, France, Italy and Sweden - Some half-hearted attempts are being made in India also.
- (v) Unions role which can be termed as enemies of economic systems, driven by political ideologies than by business compulsions. Leftist unions want to change the fundamental

structure of economy and want to have control over it. Therefore, they encourage high wages, high bonus etc., without any consideration for the health of the economy.

- (vi) Business Oriented Role, where unions consider the interests of the organisations along with workers. They think that their members fate is inextricably linked with that of organisation and they swim or sink together.
- (vii) Unions as Change - Agent - lead the changes rather than be led by them, thus performing the pioneering role.

2.5 GROWTH OF TRADE UNIONS

Trade unions in India, as in most other countries, have been the natural outcome of the modern factory system. The development of trade unionism in India has a chequered history and a stormy career.

Early Period

Efforts towards organising the workers for their welfare were made during the early period of industrial development by social working philanthropists and other religious leaders mostly on humanitarian grounds. The first factories Act, 1881, was passed on the basis of the recommendations of the Bombay Factory Commission, 1885. Due to the limitations of the Act, the workers in the Bombay Textile Industry under the leadership of N. Lokhande demanded reduced hours of work, weekly rest

days, mid-day recess and compensation for injuries. The Bombay Mill owners' Association conceded the demand for weekly holidays. Consequently, Lokhande established the first Workers' Union in India in 1890 in the name of Bombay Mill-hands Association. A labour journal called "Dinabandu" was also published.

Some of the important unions established during the period are: Amalgamated society of Railway Servants of India and Bruma (1897) Management and Printers' Union, Calcutta (1905) and the Bombay Postal Unions (1907), the Kamgar Hitavardhak Sabha (1910) and the Social Service League (1910). But these unions were treated as ad hoc bodies and could not serve the purpose of trade unions.

Modest Beginning

The beginning of the Labour movement in the modern sense started after the outbreak of World War I in the country. Economic, political and social conditions of the day influenced the growth of trade union movement in India. Establishment of International Labour Organisation in 1919 helped the formation of trade unions in the country. The Madras Labour Union was formed on systematic lines in 1919. A number of trade unions were established between 1919 and 1923. Category wise, unions like Spinners' Union and Weavers Union came into existence in Ahmedabad under the inspiration of Mahatma Gandhi. These unions were, later, federated into an

industrial unions known as Ahmedabad Textile Labour Association. This union has been formed on systematic lines and has been functioning on sound lines, based on the Gandhian Philosophy of mutual trust, collaboration and non-violence.

All India Trade Union Congress

The most important year in the history of Indian Trade Union movement is 1920 when the All India Trade Union Congress (AITUC) was formed consequent upon the necessity of electing delegates for the International Labour Organisation (ILO). This is the first All India trade union in the country. The first meeting of the AITUC was held in October, 1920 at Bombay (now Mumbai) under the presidentship of Lala Lajpat Rai. The formation of AITUC led to the establishment of All India Railwaymen's Federation (AIRF) in 1922. Many Company Railway Unions was affiliated to it. Signs of militant tendency and revolutionary ideas were apparent during this period.

- (a) **Period of splits and mergers :** The splinter group of AITUC formed that All India Trade Union Federation (AITUF) in 1929. Another split by the communists in 1931 led to the formation of All India Red Trade Union Congress. Thus, splits were more common during the period. However, efforts were made by the Railway Federation to bring unity within the AITUC. These

efforts did bear fruit and All India Red Trade Union Federation also merged with the AITUC. The unified AITUC's convention was held in 1940 in Nagpur. But the unity did not last long. World War II brought splits in the AITUC. There was two groups in the AITUC, one supporting the war while the other opposed it. The supporting group established own central organisation called the Indian Federation of Labour. A further split took place in 1947, when the top leaders of the Indian National Congress formed another central organisation.

- (b) **Indian National Trade Union Congress :** The efforts of the Indian National Congress resulted in the establishment of the Indian National Trade Unions Congress (INTUC) by bringing a split in the AITUC. INTUC started gaining membership right from the beginning.
- (c) **Other Central Unions:** The Socialists separated from the AITUC and formed the Hind Mazdoor Sabha (HMS) in 1948. The Indian Federation of Labour Merged with the HMS, the Redicals formed another union under the name of the United Trade Union Congress in 1949. Thus, the trade union movement in the country was split into four distinct central unions during the short span of 1946 to 1949.

During this period, some other central unions were also formed. They were Bharatiya Mazdoor Sangh (BMS) in 1955, the Hindi Mazdoor Panchayat (HMP) in 1965 and the Centre of Indian Trade Unions (CITU) in 1970. Thus, the splinter group of the INTUC formed the Union Trade Union Congress - the split in the Congress Party in 1969 resulted in the split in INTUC and led to the formation of the National Labour Organisation (NLO).

Table 2.1 reveals that both unions and its membership have been rising continuously over the years, except a few dismal spots here and there. The membership has increased by more than four times since 1951-52 and similarly number of unions have also increased continuously. One of the important reasons inroad among workers tried to being workers within the folds of unions. Although this caused the problem of multiplicity of unions, it did increase the extent of unionization and make workers aware of the usefulness of this instrument.

Table 2.1 Growth of Trade Unions and Membership

Year	Registered union	Unions submitting returns	Membership of unions submitting returns
1951-52	4,623	2,556	1,996 Thousands
1956-57	8,557	4,339	2,377 Thousands
1961-62	11,614	7,087	3,977 Thousands
1964-65	13,023	7,543	4,466 Thousands
1970	20,879	8,537	5,120 Thousands
1975	25,460	6,097	4,579 Thousands
1976	25,665	6,609	4,697 Thousands
1978	25,207	8,351	6,007 Thousands
1984	34,112	9,301	8,231 Thousands
1988	49,034	8,668	4,055 Thousands
1989	49,463	49,463	7,073 Thousands
1995	49,634	49,634	7,640 Thousands
2000	49,913	49,913	8,271 Thousands

Source : Indian Labour Year Book and Handbook of Labour Statistics, 2001-02.

However, while analysing the extent of trade unionism in India, the major problem is regarding accurate data. The published figures are not as accurate as they appear to be because they are not properly verified by the concerned authorities. The unions shows exaggerated figures of their memberships so as to claim the representative character. This also happens as very few unions submit returns. And whenever unions do so, they are not consistent. However, despite these lacunae, the available figures do provide an outline of the state of affairs.

2.6 STRUCTURE OF UNIONS

The structure of unions refers to the basis on which unions are organised (i.e., whether they are organised on craft or industrial or general union basis) and to the pattern whereby the plant unions are linked to regional level or national level federations or unions. Let us examine these two aspects one by one.

Trade unions can be classified into three categories: (a) craft union, (b) industrial unions, and (c) general unions. A craft union is an organisation of wage earners engaged in a single occupation. It may cover all workers engaged in a particular craft irrespective of the industries in which they are employed. Thus, electricians though working in different industries, may form a union of electricians. There may be separate unions for fitters, turners, carpenters, etc. The International Wood Carvers' Association and the Indian Pilots' Guild may be cited as examples of craft unions.

An industrial union is organised on the basis of an industry rather than a craft. If the work forces of a cotton textile factory decide to form a union consisting of workers of different crafts, the union will be called an industrial union. A General union is one whose membership covers workers employed in different industries and crafts. General unions are not popular in India.

In India, trade unions have largely been organised by industry rather than craft. Although industrial unions have grown continuously craft unions have also emerged here and there. They exist among non-manual workers like administrative staff professionals, technicians, etc.

The reasons responsible for the growth of industrial unions. The predominance of industrial unions can be attributed partly to conditions not favouring the growth of craft and general unions and partly to the environmental support to industrial unions. The specific reasons may be listed below:

- (i) Bypassing of merchant craftsmen stage of capitalism. When industrialisation started in India, the technological development had advanced far enough to reduce the importance of craftsmen in India as such bypassed the merchant craftsmen stage of capitalism and went straight from agriculture to factory stage. Resultantly, the craftsmen were reduced greatly in significance. The reduced importance of craftsmen coupled with large number of unskilled workers made industrial unions more significant for strength than the craft union.
- (ii) Higher wages of skilled workers. In early days of union growth, the skilled workers enjoyed higher rates of remuneration due to their relative scarcity. They, therefore, took no interest in

unionism. This lack of interest on their part plus the predominance of unskilled workers favoured union growth on industrial rather than craft lines.

- (iii) Industrial centers industrial unionism has also flourished in Industries in particular areas. For instance, plantation labour in Assam, Chennai and Kerala and engineering workers in Bombay and Calcutta are organised on this basis.
- (iv) Influence of outsiders. Trade union movement in India was started by outsiders. They were interested in labour class as a whole and not in a section of it. They therefore, gave more attention to the formation of industrial unions rather than craft unions. Industrial unions bring more workers within the fold of unions as compared to craft unions.

Structure of Tradition

The structure pattern of unions in India relates to their relationship between national level, regional level, local level and plant level unions. Let us see how they are related in India.

- (i) Local level federations. This is the second level in the structure from below. The local trade union federation holds together the plant level unions at the local level in a particular craft and industry. These local level federations might be affiliated to

either some regional level or national level federation discussed below or these may be independent.

- (ii) Regional level federations. These are the organisation of all the constituent unions in a particular state or region. The importance of such federations cannot be exaggerated, in a vast country like India, conditions vary from region to region. The style of living, languages, customs, traditions, working conditions, etc. are different. Therefore, it is better that workers are organised at regional or state level. These regional federations may have members of two kinds : (1) the plant level unions affiliating themselves to these directly, and (2) the local federations. In the second case, plant level unions become the members of regional federation indirectly through the local federations. It may be noted that the regional federations may be independent or they may get affiliated to some national federation.
- (iii) National federations. These are national level bodies to which plant level unions, local unions or regional level unions may get affiliated. These are the apex bodies at the top of the structure. They act as coordinating bodies. The national federations may

have their own regional or state level coordinating bodies to which the plant level unions may get affiliated.

However, four central organisations of employees in India are as below:

(A) The Indian National Trade Union Congress (INTUC)

The INTUC was formed by the Congress Party and the top Congressmen like Nehru and Patel were associated with it. Every Union affiliated to INTUC has to submit its dispute to arbitration after exhausting other means of settlement of disputes.

(B) The All India Trade Union Congress (AITUC)

This union serves as the labour forum of Communist Party of India at present. It is considered as the second largest union in India.

(C) The Hind Mazdoor Sabha (HMS)

It was formed in December 1951 in Calcutta by the socialists who neither approved INTUC nor AITUC. The HMS was organised with a view to keeping its members free from any political or other outside interference.

(D) The United Trade Union Congress (UTUC)

It was formed on 30th April 1949 by the dissident socialists. It functions mainly in Kerala and West Bengal.

Table 2.2 provides the position of membership of central trade union organisation as per 31st December, 2000.

Table 2.2 Membership of Central Trade Union Organisations

Central organizations		Claimed		Verified	
		No. of unions	Membership	No. of unions	Membership
1.	INTUC	3,460	3510326	1,604	2236128
2.	BMS	1,728	1879928	1,333	1211345
3.	HMS	1,125	1848747	426	762882
4.	UTUC (LS)	154	1238894	134	621359
5.	NLO	249	405189	172	246540
6.	UTUC	618	608052	175	165614
7.	TUCC	182	272229	65	123048
8.	NFTTU	166	527375	80	84123
9.	AITUC	1,366	1064330	1,080	344746
10.	CITU	1,737	1033432	1,474	331081
	Total	10,735	12388499	6543	6126816

- (i) Figures do not include the membership figures of 3 unions of the BMS and one of the INTUC in the Post and Telegraph Department as an objection was raised in this regard.
- (ii) Figure shown as claimed membership of AITUC and CITU have been obtained from the records of respective Registrars of Trade Unions as these unions have failed to submit them.

An idea of the size of the Indian trade unions can be had from a look at their average membership figures. A few of the trade unions are big in size, but most of them are very small. An overview of average membership of unions can be had from the table 2.3

Table 2.3 Average Membership per Union (Submitting return) in India.

Year	Average membership	Year	Average membership
1927-28	2594		
1932-33	1615		
1937-38	1137		
1938-39	1013	1969-1970	600
1944-45	1552		
1950-51	844		
1955-56	568	1974-75	742
1956-57	540	1980-81	689
1960-61	586	1984-85	675
1965-66	549	1990-91	672
-	-	1995-96	660
-	-	2000-01	657

It reveals from table above that the average membership per union has been on a decline except for occasional reveals in the trend. Whereas average

membership was 2594 per union during 1927-28, it declined to mere 742 in 1975 and 675 in 1985, 672 in 1990 and 660 in 1995. It simply means that the average size of unions has been on a decline.

There is yet another aspect of union membership that shows the dominance of small unions. In India presently about 75% of the unions are with the members less than 500. On the other hand, unions with the membership of 2000 or more constitute only about 4% of total unions in the country. This picture is highly disappointing and disheartening when compared with the size of the unions in the U.K. where union membership runs into millions. In such a condition, it is difficult to visualise that size of union will be large in India.

2.7 PROBLEMS OF TRADE UNIONS IN INDIA

The position of trade unions in India is not very sound but provides gloomy picture. This is because of the fact that the Indian trade unions of today suffer from many problems. A brief account of these problems and constraints are given below :

(A) Uneven Growth : Trade union activities are concentrated in large scale industry sector and there too in regard to manual labour only and mainly in bigger industrial centers, for example, textile workers in Bombay, Ahmedabad, Indore, Kanpur and Plantation labour in Assam, West Bengal, Tamil Nadu and Kerala, Hardly any trade union activity exists in small scale

enterprises, domestic and agricultural labour. The degree of unionisation varies from industry to industry. It is 39% in transport and communication, manufacturing industries and electricity and gas. In coal, it is 61% tobacco manufacture 70% and cotton textile 56%. Thus unionism has touched only a portion of the working class in India.

(B) Low Membership : The number of trade unions in India has increased considerably. But this has been followed by the declining membership per union. The average number of members per union was about 3,500 in 1927-28. It reduced to about 1,400 in 1946-47 and again to as low as a figure of 675 in 1985-86 and 659 in 2000-01. During 1964-65, 70% of the unions submitting returns belonged to the group having a membership below 300. More than 75 percent of the trade unions submitting returns in 2000-01 have less than 500 members. The average membership of all trade unions including both submitting returns and those not submitting returns is likely to be much below this figure. This indicates the emergence of small sized unions in large numbers. This is due to the reason that any seven workers may form a union under the Trade Union Act, 1926 and get it registered. Moreover, the rivalry among the leaders of trade unions has resulted in multiplicity of unions, thereby reducing the average size of membership per union.

(C) Outside Leadership : Another remarkable feature of trade unionism in India has been domination by outside leadership down to the present day. Most of the trade unions in India have professional political leadership. The leadership is not rooted in the working class. The leadership of professional political is interested in exploiting workers for their political purposes. The interest of the working class is not protected by the political leaders. The political leadership is actually harmful to the cause of working class. Strikes are prolonged by political leaders for personal prestige. Very often, negotiations with employers fail due to such political leadership. The interest and welfare of the workers are very often ignored. Thus, outside leadership of politicians is a major weakness of trade unions in India.

(D) Multiplicity of Unions : Another problem of trade unions in India is that of multiplicity of unions. There exist many trade unions in the same establishment. There are at times as many as twenty unions in the same plant. The existence of this phenomenon can be attributed partly to the labour laws. The Trade Unions Act, 1926 permits any association of seven workers to be registered as a union, and confers upon it certain rights. That is, such a union is allowed by law to raise disputes, go to conciliation file suits, and even bargain with employers. Such a law naturally encourages small sections of workers to form separate unions. Any seven person can get together to form a union. Many a time, it is contended that multiplicity of

unions is because of outside leaders, but more pertinent point is that they are able to work because law permits and gives sanctity to the small unions.

(E) Inter Union Rivalry : On account of multiple unions there occurs a problem of union rivalry. Unions try to play down each other in a bid to gain greater influence among workers. In the process they do more harm than good to the cause of unionism as a whole. Employers are given an opportunity to play unions against each other. They can refuse to bargain on the contention that there is not true representative union. Besides this, the workers' own solidarity is lost. Employers are able to take advantage of infighting between workers groups. Solution to this problem can be found in secret ballot vote. After some stipulated time period say two years or so, the workers should go to polls to elect their representative union for that duration. This would do away with both multiplicity of unions and union rivalry.

(F) Absence of Paid Office Bearers : Majority of unions do not have whole time paid office bearers. Many union activities work on honorary basis. They devote only limited time and energy to trade union activities. The domination of political leaders is also due to the absence of full time union workers. The union office bearers are also not trained properly. They lack the knowledge of basic principles and practices of trade unionism.

(G) Weak Financial Position : The financial position of the trade unions is very weak because their average yearly income is very low and inadequate. The subscription rates are very low. Subscription rates vary from union to union. Under conditions of multiplicity of unions, unions interested in increasing their membership figures keep the subscription rate unduly low. As a result, the funds with the unions are inadequate and they cannot undertake welfare programmes for their members. In such a situation, the subscription rates must be raised. It is argued that the financial condition of Indian workers is not too good to afford the increased rates. This however, is only myth. Over the years the average income of the workers has been on an increase. It is wrong to plead that they cannot afford higher subscription rates.

Another important reason for the weak financial position of unions is that large amounts of subscription dues remain unpaid by the workers. The name of constant defaulters continue to appear on the registers of most of unions. They are neither expelled nor cease to be members ipso facto according to the union rules. Rules for expulsion of defaulting members and seldom invoked. Besides this, unions do not have proper staff and organisation to collect subscription. Workers are approached on or near the pay day, they will pay their subscriptions readily. A solution to this problem of collection of subscription on regular basis can be found in the check off

system. Under this system the subscription is deducted from pay at the time making wage payment by the employer. The amount later on handed over to the union of which the worker a member.

(H) Lack of Interest : In order to make the trade union movement succeed the members of trade unions should take keen interest their affairs. They should understand what unionism all about and what demands it makes on individual members. They must feel the need to give the movement necessary support for a common cause. In India, a large number of workers have not joined any union. About 2/3rd of the workers have to truck with any union. Moreover, all the members of the trade unions do not show interest in their affairs. The attendance at the general meetings of the unions is very low. Under such circumstances, trade unionism cannot be expected to make much progress. This problem can be removed by educating workers of their rights and duties and developing in them a sense of responsibility.

(I) Limited Stress on Welfare : Many unions in India undertake only limited welfare activities. They feel that their major activity is to fight with the employer for more wages and allowances. Other activities like opening a co-operative bank or store, provision of educational and medical facilities, provision of welfare facilities, etc. are not undertaken by many unions. As a result, workers are not attracted towards unions.

(J) Lack of Public Support : The trade unions frequently resort to strikes and demonstrations. They give limited attention to peaceful methods for the settlement of demands and disputes. The general public is affected due to strikes, go slow policy and other practices of unions. As a result, public support or sympathy is not available to the unions. The general public opinion is not favourable to unions and their unfair activities.

2.8 ESSENTIAL CONDITIONS FOR SUCCESS OF TRADE UNIONS

The fact that the trade unions can play a very important part in the process of economic development deserves no special emphasis but only a desire to play that role on the part of the unions would not suffice. To be able to perform their tasks, they must fulfill certain their tasks, they must fulfill certain conditions which may be laid as under:

- (i) The first essential of a trade union is the existence of an enlightened labour force which will man the movement. An educated and capable labour force should be able to throw up leaders devoted and willing to lead their fellow workers and to serve their fellowmen. Lack of proper and adequate level of education general as well as technical or vocational, proper commitment to the job, heterogeneous composition of the labour force divided by difference of language, custom,

religion, caste and creed and widespread poverty owing to low level of wages render the working class incapable of manning the trade union movement effectively and purposefully.

- (ii) Another essential of a trade union is sound leadership and methodological organisation. A trade union should have its foundation laid on solid grounds so that it may demonstrate success in its objects.
- (iii) A clear enunciation of the objectives is the third fundamental feature for the survival and effective functioning of a trade union. Trade unions with a complexity of objects are looked upon with suspicion and the employers, who should be willing to sit with them round a table for discussion and negotiation, often try to by-pass them.
- (iv) Another fundamental point which the trade unions have to keep in view is a coherent and well-conceived policy in regard to their structure. Haphazard growth of trade unions is likely to give rise to difficult problems of jurisdiction, sphere of activity etc. A trade union should be regarded as a business organization which requires careful planning and sound organisational methods.

- (v) Sound internal organization of individual trade unions is also a matter of vital importance. This, in turn, requires that besides sound business administration and office routine, the financial resources of the union should also be adequate. Thus, the factors that make a trade union strong and healthy are unflinching adherence to the union's constitution and rules, regular payment of dues, fully representative character of the union and co-operation with other unions.

2.9 ORIGIN AND GROWTH OF MANAGEMENT ASSOCIATION

The effectiveness of any industrial relations system depends to a great extent on the attitude that unions and employers' organisations adopt towards each other. The intention in covering employers' organisations under the Trade Unions Act, 1926 was to place both workers' and employers' organisations on par in matters of rights and responsibilities. The principle of giving equal representation to capital and labour on all consultative bodies like the Indian Labour Conference, Standing Labour Committee and Industrial Committees recognises this basic tenet in employer-employee relationship.

The origin and growth of Employers' Organisations in India can broadly be classified into three distinct phases: (i) the period prior to 1930; (ii) the period between 1931 and 1946; and (iii) the post-Independence

period. Each phase reveals their structural and functional characteristics, and also varying changes in them in accordance with the contemporary economic, social and political developments. The pre-1930 period was characterised mainly by the formation of certain associations such as the Bombay Millowners' Association, the Bengal Millowners' Association, and the Ahmedabad Millowners' Association.

The period 1931-1946 witnessed the growth of chambers of commerce and industrial associations for dealing with a variety of problems connected with industry. The All-India Organisation of Industrial Employers (AIOIE) and the Employers' Federation of India (EFI) came into existence in 1933. The All-India Manufacturers' Organisation (AIMO) was formed in 1941. The setting up of these organisations was in response to the need felt for representation of employers in international conferences and legislative bodies. The post-Independence period further saw the growth of employers' organisations to meet the requirements of individual employers for advice on labour and related matters.

2.10 STRUCTURE OF MANAGEMENT ASSOCIATION

Employers' organisations in India have a three-tier structure, viz., local associations, regional industrial associations and All-India federations. Of the three, the local associations which operate mainly through the chambers of commerce cover all industries in an area. Their activities in the labour field

are comparatively less extensive. The industrial associations are the general pattern of organisation of employers in India. They are formed at the area or regional level as also at the all-India level, and are generally affiliated to the apex central industrial organisations. Individual employers are also admitted to the apex organisation. The main reason for the industry-wise development of associations is the common problem confronting each industry and trade. The setting up of wage boards on an industry-wise basis, industrial committees at the Central and State levels, and development of collective bargaining at the industry level in certain regions, have helped their growth.

Existence of more than one industrial association in a particular industry is a problem which at times hindered the progress of collective bargaining on an industry-wise basis. At the national level, there are federations, namely, AIOE, EFI and AIMO which have been given representation on different tripartite labour consultative bodies.

2.11 FUNCTIONS OF MANAGEMENT ASSOCIATIONS

The main role and functions of an employers' organisation is to protect and promote the interest of its members. Its activities are designed and directed on a broader plane; labour problems are only a part of their overall responsibilities. Economic, Commercial and fiscal matters and policies are equally or even more important for them. Employers' organisations find it

necessary to have legislative support for the realisation of their objectives.

Their main functions in the field of labour are given below:

(A) Communication:- The employers' associations keep their members informed of all new labour legislations (even at the formative stage), regarding all changes in labour policy, important court decisions on labour matters, obligations accepted at the national level, proceedings of important tripartite deliberations, etc.

(B) Advisory Function:- They advise their affiliates on complex legal provisions, procedures etc., when such advice is sought. Some of the employers' organisations have built up an expert advisory service on labour matters for their members.

(C) Educational Efforts:- They organise seminars, conferences and training programmes at different levels to discuss important issues in the labour-management relations. Important studies on collective agreements, role of the private sector in national development, etc. have been carried out by the Employers' Federation of India.

(D) Representational Functions:- They are represented on various committees, wage boards, etc, set up by the government from time to time and place before these bodies the point of view of employers. They have also set up special committees of their own to study particular problem.

(E) Undertaking of Social Responsibilities:- They also discharge certain social responsibilities towards the country and society by participating in national plans for economic development, eliciting responsive co-operation from the unions, improving levels of production and productivity, pursuing policies that are conducive to the development of industry and the economy, adopting neighbourhood villages, social development schemes, etc.

2.12 ILO & MANGEMENT ASSOCIATION IN INDIA

International Labour Organsiation (ILO) as set up in 1919 to develop *international labour standards*. India has been an active member of ILO and so nominates employees' and employers' delegates to ILO from time to time. Employees' delegates represent three central organsiations of employers' associations: All India Organisation of Employers (AIOE), Employers' Federation of India (EFI) and All India Manufacturers' Organisation (AIMO). The nominees of these association represent employers not only at ILO, but also at the Indian Labour Conference, Standing Labour Committee, Industrial Committees, etc. set up by the India Government. In fact, employers' bodies have representation on all consultative bodies in matters affecting labour.

It was in 1932 that All India Organisation of Industrial Employers was formed and its name was changed later on, and now it is known as All India Organisation of Employers (AIOE).

2.13 OBJECTIVE OF MANAGEMENT ASSOCIATION

- (i) To promote and protect the legitimate interests of employers engaged in industry, trade and commerce.
- (ii) To take steps to promote, support or oppose legislative and other measures affecting or likely to affect industries.
- (iii) To maintain harmonious relations between management and labour.
- (iv) To initiate and support all well-considered schemes that would increase productivity and at the same time give labour a fair share of increased return.
- (v) To collect and disseminate information affecting employers and to advise members on employer-employee relations and other ancillary problems.
- (vi) To give subscriptions, donations, grants or remuneration to desiring individuals and organisations for worthy causes and in furtherance of the objects of AIOE.

- (vii) To make rules and regulations and bye-laws for the conduct of the affairs of AIOE and add to, amend, vary or rescind them from time to time.
- (viii) And generally to do all that may be necessary in the interest of the realisation of the above aims and object of AIOE directly or indirectly.

2.14 ROLE OF MANAGEMENT ASSOCIATION

Labour matters are required to be examined in the context of their social and economic implications. The AIOE has the unique advantage of being saved by the Secretariat of FICCI which is well- equipped with experts in all branches of economic activity. The Secretariat brings to the attention of the Committee (of Management) all important developments in the area of industrial relations and labour legislation and implements the decisions taken. It also brings to the notice of its members amendments to the existing laws and new proposals relating to labour laws and industrial relations; decisions of tripartite meetings and advisory boards through circulars and publications. Advice and guidance is also rendered to the members as and when sought.

Industrial Relations Conference is organised as an annual feature in collaboration with the Employers' Federation of India and the Standing Conference of Public Enterprises (SCOPE). At these conferences issues of

national importance are discussed and recommendations are submitted to concerned authorities for their consideration.

Besides this conference, a special programme for the executives of Employers Associations is organised every year in collaboration with the EFI and the SCOPE under the ILO Programme for Assistance to Employers organisations with a view to strengthening the secretariats of employers' associations and improve their capability to render better services.

Discussion Groups are arranged between the representatives of workers and the authorities responsible for the enforcement of various labour laws so as to sort out problems faced in the compliance of these laws across the table.

Advanced management programmes for top and middle management are periodically organised on the subject of human resource development, safety and health.

Regional conferences are arranged to reach the members in their area of activity and get first hand knowledge of the problems of the region.

During the year 1995-96, the AIOE organised a number of programs. For example, a two-day workshop on 'Productivity Oriented Collective Agreements, an International Congress on the 'Philosophy of Indian Relations: Post Reform Era', AIOE's Study Mission's Visit to Japan, a Workshop on 'Employees' Pension Scheme, 1995-An Analysis, a National

Seminar or 'Political Economy of Industrial Relations: Model for the Future', a national round table conference on 'Reforms in the Labour Disputes Settlement Machinery', etc. It has undertaken a project on 'Elimination of Child Labour' in collaboration with FICCI to sensitize the parents of the children and the society at large, about the ill effects of child labour.

Contact with Government and Public. Specific issues are placed before Government through written and oral representations. Legislative matters are taken up with the Select Committees of Parliament.

The public is kept informed of the AIOE's approach to current issues through Press conferences and Press statements and brochures.

Rapport with Trade Unions:- The AIOE has built up direct report with national trade union centers whose representatives are invited to Industrial Relations Conferences and Regional Conferences for bipartite dialogue on issues of vital importance.

Publications:- A fortnightly bulletin 'AIOE Labour News' is regularly published covering home news, foreign news, legislation abroad, important court decisions and awards and labour statistics.

Every alternative year, a Handbook of Labour Statistics is also published for use and guidance of members.

Industrial Relations Award:- The AIOE has instituted an annual award for outstanding contribution in the field of industrial relations to be given to individuals and companies.

Promotion of Management Education:- With a view to promoting education in industrial relations and personnel management, the AIOE has instituted a Gold Medal to be awarded to the student who secures highest marks in the subject of industrial relations in the Diploma Examination conducted by the National Institute of Personnel Management.

Promotion of Family Welfare Programme:- Under ILO/UNFPA Project, a family welfare programme was implemented in selected centers for motivating industrial managements to persuade and educate workers to observe small family norms.

Promotion of Improve Your Business Programme:- Under the ILO/SIDA, CIE Project - Improve your Business programme is being implemented all over the country. Under this programme, workshops for imparting basics of modern simplified management techniques are taught to those industrial entrepreneur-managers, who in the normal course do not employ skilled managers to man the various activities of their small enterprises. This programme has been well received by the participants and several workshops have been organised in the country. Some of these were specially organised for women entrepreneurs. To impart education among

the entrepreneurs, a material known as IYB Handbook and Work-book has been developed, which provides first-hand knowledge and also gives them the skills to solve their problems and assess their limitations and drawbacks.