



## TRADE UNION MOVEMENT IN INDIA-ITS PROBLEMS & MEASURES TO STRENGTHEN TRADE UNION

**Dr. Sushma Tiwari**

*Faculty, Department of MBA (HRD), A.P.S. University, Rewa, Madhya Pradesh.*

### **Abstract**

*Trade unions evolved to protect workers' rights against management's atrocities in the modern industry. They raised a collective voice for the improvement of workers' wages, working conditions, and their social welfare. Unions can play important roles in setting the stage, designing and participating in HRD programmes.*

*Over the years, trade unions in India have been taken for a ride by outside, political leaders. In the process, the interests of workers and their aspirations have been totally neglected. The Trade Unions Act, 1926, did not go for recognising a representative union. As a result multiple unions have cropped up, often with blessings from management and outsiders. The union finances have not been very sound in the beginning. The average membership figures for each union remain poor and have not improved. This paper discuss on trade union movement in India, the factors responsible for their ever-increasing woes and depreciated status & measures to strengthen trade union.*

**Key Words-Trade Union, Industrial Relation, Leadership.**

### **1. Trade Union Movement in India**

In India, the origins of the trade union movement go back to the nineteenth century when, at an early stage of global industrialization, a working class emerged in the jute and cotton industries as well as in the rapidly expanding railway system, thus forming one of the outstanding chapters in global trade union history. However, a serious situation has recently arisen. In the public sector the required and ominous process of privatization threatens the job security of millions as downsizing on a huge scale is unavoidable. The private sector industrial relations scene has unfortunately been characterized by fierce battles over downsizing and flexibility, such as the well known cases of Philips and Hindustan lever in recent years. Rather than seeking positive gains both management and trade unions have generally adopted strong adversarial positions at the negotiating table, in the media, and also in enterprises themselves. Except for the highly publicized Self Employed Women's Association (SEWA), little success has been noted in organizing workers in the booming small-scale enterprises as well as in other segments of the informal sector. In this situation, which appeared to be most risky for the expansion and, more importantly, the survival of the trade union movement, a number of labour leaders established a Centre for Workers Management (CWM) in the knowledge that a change of culture in the labour movement as well as at management level was required in order to overcome the adversarial culture of management labour relations. The central idea was to safeguard jobs in "sick" industries by general restructuring, and also by introducing modern management labour relations with participatory structures as well as a workers take in ownership following the Employee Share Ownership Plan (ESOP) that has been practised, especially in the United States, with a positive impact on profitability and labour productivity.

Here a visionary plan was developed to practise the new pattern in a limited number of large private enterprises as a learning ground to be offered as a policy option to speed up the process of privatization of public enterprises. Some thirty firms "responded" to this initiative that was taken up by CWM with an initial involvement in Kamani Tubes Limited at Mumbai and Kamani Metals Limited (with plants in Mumbai and Bangalore). The role of trade unions, through CWM, has been pivotal. The Supreme Court had ruled in favour of a labour movement initiative to transform Kamani Tubes, that had gone bankrupt due to mismanagement, into a workers' cooperative. Workers then raised a considerable sum of money to build a new financial asset structure. Leadership, rather than management, was provided by CWM in defending the enterprises' interests with respect to commercial banks, supervisory boards imposed by the Government of India, and courts of law.

### **Trade Union Leadership**

The nature of leadership significantly influences the union-management relations as the leadership is the lynch-pin of the management of trade unions. The leadership of most of the trade unions in India has been outside leadership mainly drawn from political parties.

### **Reasons for Emergence of Outside Leadership**

Outside leadership has been playing a pivotal role in Indian Trade Union Movement due to the inability of insiders to lead their movement. In view of low education standards and poor command over English language which is still the principal language of labour legislation and negotiations, low level of knowledge about labour legislation, unsound financial position,



fear of victimisation by the employer and lack of leadership qualities-outside leaders have come to stay. The main reason for this trend is that the Trade Unions Act, 1926,[India] itself provided the scope for outside leadership.

Section 22 of the Act requires that ordinarily not less than half of the officers of the re-registered union shall be actively engaged or employed in an industry to which the union relates.

Thus, this provision provides the scope for outsiders to the tune of 50% of the office bearers. The Royal Commission of Labour (RCI) 1931, recommended for the reduction of the statutory limit of outsiders from 1/2 to 1/3 but no efforts were taken in this direction.

### **The Evil Effects of Outside Leadership**

The evil effects of outside leadership analysed by National Commission on Labour are as follows:

1. Outside leadership undermined the purposes of Trade Unions and weakened their authority. Personal benefits and prejudices sometimes weighed more than unions.
2. Outside leadership has been responsible for the slow growth of Trade Unions.
3. Internal leadership has not been developed fully.
4. Most of the leaders cannot understand the worker' problems as they do not live the life of a worker.

Even though outside leadership is permissible in the initial stages it is undesirable in the long run because of many evils associated with it. Political differences of leaders have been inhibiting the formation of one union in one industry. Most of the Trade Union leaders fulfil their personal aspirations with their knowledge and experience gained in the Trade Unions.

### **Measures to Minimise the Evil Effects of Outside Leadership**

In view of the limitations of outside leadership, it is desirable to replace the outside leaders progressively by the internal leaders. The National Commission on Labour, 1969, also stated that outsiders in the Trade Unions should be made redundant by forces from within rather than by legal means. Both the management and trade unions should take steps in this direction. The steps may be:

- Management should assure that the victimisation will be at zero level, even if the
- trade unions are led by insiders;
- Extensive training facilities in the areas of leadership skills, management
- techniques and programmes should be provided to the workers;
- Special leave should be sanctioned to the office bearers.

### **Union Rivalry has been the Result of the Following Factors**

1. The desire of political parties to have their basis among the industrial workers;
2. Person-cum-factional politics of the local union leader;
3. Domination of unions by outside leaders;
4. Attitude and policies of the management, i.e., divide and rule policy; and
5. The weak legal framework of trade unions.

### **Measures to Minimise Union Rivalry**

In view of the evil effects of inter-union rivalry and the problem of formation of one union in one industry, it may be necessary to consider the recommendations of National Commission on Labour, 1969. The recommendations of NCL to minimise union rivalry are:

1. Elimination of party politics and outsiders through building up of internal leaders;
2. Promotion of collective bargaining through recognition of sole bargaining agents;
3. Improving the system of union recognition;
4. Encouraging union security; and
5. Empowering labour courts to settle inter-union disputes if they are not settled within the organisation.

## **2. Multiple Unions**

Multiple unionism both at the plant and industry levels pose a serious threat to industrial peace and harmony in India. The situation of multiple unions is said to prevail when two or more unions in the same plant or industry try to assert rival claims over each other and function with overlapping jurisdiction. The multiple unions exist due to the existence of craft unions, formations of two or more unions in the industry. Multiple unionism is not a phenomenon unique to India. It exists even in advance countries like UK and USA. Multiple unionism affects the industrial relations system both positively and negatively.



It is sometimes desirable for the healthy and democratic health of labour movement. It encourages a healthy competition and acts as a check to the adoption of undemocratic practice, authoritative structure and autocratic leadership. However, the negative impacts of multiple unions dominate the positive impacts. The nature of competition tends to convert itself into a sense of unfair competition resulting in inter-union rivalry. The rivalry destroys the feeling of mutual trust and cooperation among leadership. It is a major cause for weakening the Trade Union Movement in India. Multiple unionism also results in small size of the unions, poor finances, etc.

### **3. Union Rivalry**

The formal basis for Trade Union Organisation is provided by the Indian Trade Union Act, 1926. The relevant article reads as follows: “Any seven or more members of a trade union may be subscribing their name to the roles of the trade union and by otherwise complying with the provisions of this act with respect to the registration, apply for registration of the trade union under this Act.”

This provision has led to the formation of multiple unions and resulted in interunion rivalry in different industries. But the inter-union rivalry breaks the very purpose of the trade unions by weakening the strength of collective bargaining. On the other hand, the existence of a single, strong union not only protects the employee interests more effectively but also halts the various unproductive activities of the unions and forces the leaders to concentrate on the strategic issues. Further, it helps to bring about congenial industrial relations by bringing about a system of orderliness in dealing with the employees and by facilitating expeditious settlement of disputes.

The state of rivalry between two groups of the same union is said to be inter union rivalry. Inter and intra-union rivalries have been a potent cause of industrial disputes in the country. They are responsible for weak bargaining power of trade unions in collective bargaining. These rivalries are responsible for slow growth of trade union movement in the country.

### **4. Finance**

Sound financial position is an essential ingredient for the effective functioning of trade unions, because in the process of rendering services or fulfilling their goals, trade unions have to perform a variety of functions and organise programmes which require enormous financial commitments. Hence, it is imperative on the part of a trade union to strengthen its financial position.

But it is felt that the income and expenditure of trade unions in India over the years is such, with few exceptions, that the financial position of the union is generally weak, affecting their functioning. It is opined that, “trade unions could be more effective, if they paid more attention to strengthening their organisations and achieving higher attention of financial solvency.”

The primary source of income to the unions is membership subscription. Their other sources of union finances are donations, sale of periodicals, etc. The items of expenditure include: allowances to office bearers, salaries to office, annual convention/meeting expenses, rents, stationery, printing, postage, telegrams, etc.

Most of the trade unions in India suffer from inadequate funds. This unsound financial position is mostly due to low membership and low rate of membership fee. Trade Union Act, 1926, prescribed the membership fee at 25 paise per member per month. But the National Commission on Labour recommended the increase of rate of membership subscription from 25 paise to Re. 1 in the year 1990. But the Government did not accept this recommendation.

As the National Commission on Labour observes, “ an important factor limiting the effective functioning of unions in our country has been their financial weakness.. In most unions, poor finances are the result of inadequate membership strength. This in turn, can be traced to the small size of units. In a majority of unions, the rate of contributions required of members is also small. With a relatively low rate of unionisation, total funds collected are small. The general picture of finances of unions is disappointing.”

### **5. Low Membership**

The average membership figures of each union are quite depressing. In 1992-93 the average membership figure was 632, a steady fall from 3,594 per union from 1927-28. “Because of their small size, unions suffer from lack of adequate funds and find it difficult to engage the services of experts to aid and advice members in times of need’. They can’t bargain with the employer effectively on their own.



## 6. Heterogeneous Nature of Labour

Since workers come to the factory with varying backgrounds, it is difficult for them to put a joint front in case of trouble. Employers exploit the situation, under the circumstances, by dividing workers on the basis of race, religion, language, caste, etc.

## 7. Lack of Interest

For a large majority of workers, unionism even today remains a foreign issue. In fact, workers avoid union activities out of sheer disinterestedness. Those who become part of the union, do not also participate in the union work enthusiastically. In such a scenario, it is not surprising to find outside political leaders exploiting the situation serve their own personal agenda.

## 8. Absence of Paid Office Bearers

Weak finances do not permit unions to engage the services of full time, paid office bearers. Union activists, who work on a part time basis, neither have the time nor the energy to take up union activities sincerely and diligently.

## 9. Other Problems

The other factors responsible for the unsound functioning of trade unions in India are:

1. **Illiteracy:** Workers in India fail to understand the implications of modern trade unionism. Their illiteracy coupled with ignorance and indifference account for the predominance of outside leadership.
2. **Uneven Growth:** Trade unionism activities are, more or less, confined to major metros in India and traceable only in large scale units (especially cotton textile). The membership fees should be raised as the amount of wages of the workers increased significantly, compared to the situation in 1926 when Trade Union Act provided for the collection of 25 paise per month per member as subscription fee. Even amended Rs.1/- is not sufficient. Some other source of finance may also be explored to make trade union financially healthy.

## Other Measures

- Trade unions should extend welfare measures to the members and actively pursue social responsibilities. Social responsibility of Trade Unions should go beyond their limited constituency within members only.
- The Trade Union Act, 1926 should be amended and the number of members required to form a trade union should be increased from 7 to 50% of the employees of an organisation. Similarly, the scope for the outside leadership should be reduced from 50% to about 10%. The membership subscription should be enhanced from 25 paise to 1 % of the monthly wage of the worker.
- Trade Unions should make efforts to raise their declining membership which is world over phenomenon.
- Trade Union must broaden their base membership in unorganised sectors, which constitute about 92% of workforce and IT sectors/BPO/Call Centres where most of the employment is coming attracting and retaining new bread of workers by monitoring them.
- Trade Unions should be smart, IT savvy on-line working to have connectivity to employees abroad as also International Trade Unions and other Trade bodies.
- Trade Unions have to adapt to new realities in new business environment. “The simple notion of solidarity is now outdated, a narrow concept to encompass the mutual supports of those whose positions and interests are different.” (Zoll - 1996). Solidarity concept is getting diluted because of diversities in work force and increasing individualization industry). The degree of unionism also varies from industry to industry, varying between to 30-70 per cent in coal, cotton textiles, iron and steel, tobacco, railways, cement, banking, insurance, ports and docks, etc. The degree of unionism is quite negligible in the agricultural and unorganised sector.

## Measures to Strengthen Trade Union Movement in India

The following are some of the measures to minimise trade union problems and to strengthen the Trade Union Movement of India.

### a) United Labour Front

Unions must put a joint front. Splinter groups multiple unions dissipate their energies, dilute their power and reduce their effectiveness. Trade unions should form a sort of labour party and all the trade unions in the country should be affiliated to it. It gives adequate strength to the trade unions both industry and Parliament.

### b) Efficient Leadership

Outside political leadership has developed due to the absence of internal leadership. Outside leadership is the main cause for the multiple problems of the trade unions. These problems can be eradicated through the development of leadership talents



from within. Management should encourage internal workers to lead their own movement. Management and trade unions should provide educational and training facilities for the development of internal leadership.

### **Conclusion**

In order to make members updated Trade unions must organise continuous training and developmental programmes. Future needs smart and responsive Trade Unions, if they have to survive and thrive.

The Trade Union Act should be amended in order to avoid dual membership. There should be legal provision for the recognition of the representative union. Unions should not intervene in day-to-day matters. They must focus on important issues affecting workers.

Trade Unions must reorient themselves:

1. From political/ideology obsession to Business Union - Partners in progress, sharing the gains.
2. Protesting organisation to Partnering organisation
3. Bureaucratic organisation to democratic and service organisation
4. Complacency to struggle
5. Power-hunger to service orientation

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