

## The 21<sup>st</sup> Century Trade Union Challenges in India

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### Abstract

A trade union or labour union is an organization of workers who have banded together to achieve common goals in key areas such as wages, hours, and working conditions, forming a cartel of labour. India has the largest number of trade unions. But they have developed very slowly. In spite of the slow growth, the unions brought about some economic, political and social betterment of the workers. Economically, they have improved the lot of the workers. Politically, the unionism has produced a mighty secular anti-imperialist, anti-capitalist, equalitarian and socialistic force of national economy. Trade unionism has not influenced a variety of industries. The degree of unionisation varies widely from industry to industry. Though trade unions are of various sizes with thousands of members, yet, most of the unions are still characterized by their small size and small membership. Majority of Indian labour is illiterate, ignorant and poor. They are exploited by unscrupulous trade union leaders, which result in the following problems. In a democracy, political influence of trade unionism cannot be avoided. Through this research paper we will discuss about how in India, the historical development of trade-union movement was inseparably intermingled with political movement through liberation struggle due to the 21<sup>st</sup> Century Challenges in front of the Trade Unions.

**Keywords:** Organization; Common goals; Democracy; Liberation struggle; Trade unions

### Introduction

India has the largest number of trade unions [1]. But they have developed very slowly. In spite of the slow growth, the unions brought about some economic, political and social betterment of the workers. Economically, they have improved the lot of the workers. Politically, the unionism has produced a mighty secular anti-imperialist, anti-capitalist, equalitarian and socialistic force of national economy. Socially they have emerged as a unique force of national integration in spite of the hindrance offered by illiteracy, rural background of the worker and their migratory character, by communalism, casteism and linguism. The chief features of the present day unionism in India are that only about 28% of the workers are unionized. The unions are getting smaller in size. Their finances are generally in bad shape. Trade union leadership faces several dilemmas. The unions often cannot make a constructive approach because of intensive inter-union rivalries and multiplicity of unions. Then, there is the heterogeneity of membership with workers from different areas, classes, castes and regions. Because of such peculiarities, it has been observed that unlike the trade unions in Sweden, Germany, the U.K., the U.S.A. Indian unions are yet weak, unstable, amorphous, fragmental and uncoordinated. The most important problems of the trade unions in India are uneven Growth: industry-wise and Area-wise, small size of unions, financial weakness, multiplicity of the unions and inter-union rivalry, leadership issue, politicalisation of the unions, democracy and leadership, management Attitude, statutory support, illiteracy and ignorance.

### Uneven Growth of Unionism

Trade unionism has not influenced a variety of industries. Plantations, coals mines, food industries, textiles, printing presses, chemicals, utility services, transport and communication and commerce are the main organised industries, in which unionism has made progress [2]. The degree of unionisation varies widely from industry to industry. For example, it has been 51% in mining and 30 to 37% in transport, communication, manufacturing industries and electricity and gas, industries with a high rate of unionism are coal (61%); tobacco manufacture (75%); cotton textile (56%); iron and steel

(63%) banks (51%) insurance (33%) railways (33%) and plantation (28%). Another important feature of the unionism is that it is mainly concentrated in a few States and in bigger industrial centres. The main reason for the development of such industry-cum-centre unions has been the concentration of certain industries in particular areas. For example textile workers in Bombay, Ahmedabad, Indore, Kanpur; plantation labour in Assam, west Bengal, Tamil Nadu and Kerala; jute mill workers in Bengal, engineering workers in Calcutta, Bombay etc; workers engaged in chemical and pharmaceutical industries in Bombay and Vadodra. Trade union development in white-collar workers and in lower management cadre is even more unsatisfactory. Hardly there is any trade union activity in small scale enterprises, domestic servants and agricultural labour. Of the total labour force of about 100 lakhs, only about half of the workers are trade union members. The story of labour in the organised industry is the history of Indian labour moment. There has been no movement amongst the vast mass of labour in the primary sector and the small establishments. The lack of labour organisation in the rural sector is due to their scattered and sparse habitations, their lack in "in group" feeling, and their neglect by labour leaders. The proportion of union members to the total number of workers could be placed at about 23 per cent in sectors other than agriculture. If workers in agriculture are included, the percentage of organized labour will fall considerably.

### Small Size of Unions

Though trade unions are of various sizes with thousands of members, yet, most of the unions are still characterized by their small size and small membership. The average membership per union in

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India is less than 800, as compared with the U.K (17,600) the USA (9,500) [3]. The small size of the unions is due to the following factors as the fact that any seven workers may form a union under the Trade Union Act and get registered has resulted in large number of small unions, the structure of the trade unions organisation in the country is in most cases, the factory or the unit of employment; so whenever employees in a particular factory or mine are organised, a new union is formed. Unionisation in India started with the big employees and gradually spread to smaller employees [4]. This process is still continuing and has pulled down the average membership. Though the number of unions and union membership are increasing, average membership is declining. Rivalry among the leaders and the Central Organisations has resulted in multiplicity of unions thereby reducing the average membership. It is noteworthy that as the number of unions increases, the total membership does not increase proportionately. If rival unions could be stopped from being evolved, the average size of unions could definitely go up. Because of the small size of the unions, they suffer from lack of adequate funds and find it difficult to engage the services of experts to aid and to advise members in time of need. Further, they cannot face the challenge of employers for long because of their weak bargaining power. Again, the small degree of unionisation further aggravates their helplessness in collective bargaining and makes them thoroughly dependent either on the political parties or on such outside personalities who happen to command political influence on the employers and the Government machinery.

### Financial Weakness

Trade unions suffer from financial weakness as the average yearly income of the unions has been rather low and inadequate [5]. The average income has been low not because of the poverty of the workers but because of certain factors namely, workers are apathetic towards trade unions and do not want to contribute out of their hard earned money. The national commission on labour observed that, union organisers generally do not claim anything higher nor do the workers feel like contributing more because the services rendered by the unions do not deserve a higher fee. The members instead of making regular payment to the union make adhoc payment if a dispute arises which shows a lack of commitment to the unions. Under conditions of multiplicity of unions, a union interested in increasing its membership, usually keeps their subscription rate unduly low and does not collect even that subscription regularly. To improve the financial conditions of the unions, the National Commission on Labour recommended that the minimum subscription should be raised to rupee one per month. It, however, did not favour the existing arrangement of collecting one per cent or even more by way of membership fee on the ground that it would mean different amounts within each State for the same group of workers. Another method advocated is the introduction of the "Check-off system," under which an employer undertakes on the basis of a collective agreement, to deduct union dues from the worker's pay and transfer the same to the union [6]. But, this system has not found favour with certain sections. It has been alleged that if the system is adopted, the constant touch between the union and the rank-and file will be lessened. Further, no deductions can be made on this account under the payment of Wage Act. The National Commission on Labour has held "An enabling provision should be adequate. The right to demand check-off facilities should vest with the unions, and if such a demand is made by a recognised union, it should be incumbent on the management to accept". But this recommendation seems to be difficult to implement. The best solution of improving the financial condition of the unions would be to remove trade union rivalry, by strictly adhering to the principle of "one union in one industry" [7].

### Multiplicity of Trade Unions

Multiple trade unions are the biggest curse of Indian trade union movement. Existence of many unions each trying to compete with each other on membership drive and securing management support to recognise their union, not only weakens the trade union movement but also cause inter-union rivalry and disunity among the workers. The following are the major causes of multiple trade unions. Rapid industrialization has increased the pace of capital formation in India [8]. But skill formation has not matched the capital formation. This is because we in India missed 'merchant craftsmanship' stages of capitalism and instead a predominately "agrarian labour force" was converted directly into an "industrial labour force". Accordingly, most of the trade unions were not based on "trade" specialization and instead based on generalization. Most of the trade unions were linked to the political parties. Since India has a plethora of political parties, it causes formation of number of trade unions linking with each political party. When such political parties split, the trade unions also split. Political influence often necessitates projecting outside politicians as trade unions leaders. Since the political parties' fortune changes rapidly, the membership of unions also fluctuates. Union management relationship is a social relationship. Unfortunately, in India we have the same more as a legal matter [9]. For example, as per Indian Trade Unions Act, any seven workers can form a union. Many unions are formed on this basis. Also, there is no central law which stipulates conditions for recognizing a trade union. Hence, each union is trying to 'influence management' to recognize a trade union. In order to influence them, they often take help from outside leaders and political parties and organise union as dictated by influential persons from outside. The ill-effects of multiple trade unions are also as multiplicity divides the workers on party lines instead of uniting them together which is the primary objective of trade unionism. Unscrupulous management exploits this to their advantage. Unions organized on party line are more committed to the ideology of political parties to which it is affiliated than the industrial unit and its objectives in which they work. Union rivalries often make it difficult to settle disputes because their approach to the problem and method of settlement vary. The problem is more complicated when settlement does not suit the liking of their "political bosses" outside. Multiple trade unions also make it difficult for all of them to join together and make a single charter of demands or chalk out a common strategy of action plan. This will make their bargaining power very weak. Multiple trade unions weaken the financial status of each union. This causes severe handicap for each of them to effectively project their programmes and influence the workers.

### Intra-Union Rivalry

Another vexing problem is intra-union rivalry. Trade union rivalry is acute and pervades the entire industrial scene in India. Rival unions sometimes go to the extent of even obstructing the normal conduct of trade Union activities on different pleas. A union does oppose strike by a rival on various grounds, the strike being unnecessary, uncalled for against the interests of the workers and being anti-national. Conditions are created where anti-union employer gets a chance to paint the trade union in the darkest colour and to play one against the other, causing all-round disruptions. The rivals also indulge in wild accusation which shakes worker's faith in the trade unions itself. The Standing committee of the Indian Conference, discussed the problem and recommended that, "A provision should be made in the Trade Unions Act, that when more than one per cent of persons claimed to be office-bearers of the same union" [10]. If the union is affiliated to any central Organisation,

the latter should first try to settle the difference within its affiliates. Failing this, under the aegis of the Labour Court, an election confined to the members of the union concerned should be held.” The National Commission on Labour recommended the following to reduce inter-union rivalries, i) building of internal leadership within the unions in order to eliminate party politics and outsiders; (ii) Promotion of collective bargaining through recognition of sole bargaining agents; (iii) improving the system of union recognition; (iv) encouraging union security; and (v) empowering the Labour Courts to settle inter-union disputes, if the concerned central organisation is unable to resolve these.

### Leadership Issue

Another disquieting feature of the trade unions is outside leadership, i.e., leadership of trade unions by persons who are professional politicians and lawyers and have no history of physical work in the industry [11]. This is “leadership by intellectuals” rather than by workers. It applies at the local as well as at the national level. There are several reasons for this phenomenon, namely, the rank and the file are largely illiterate; as such they cannot effectively communicate with the management; the union’s lack of formal power tends to put premium on the charismatic type of the leader, usually a politician, who can play the role of their defender of the workers against his enemies; for ensuring a measure of equation of power in collective bargaining, where the workers are generally uneducated and have a low status; for avoiding victimisation of workers office bearers of the trade unions; and at times for lack of financial resources to appoint whole time office-bearers. The National Commission on Labour gave a good deal of thought to the issue whether outside leadership should be retained. It felt that, there should be one of non-employees holding positions in the executive body of the unions as that would be a very drastic step. The commission referred to freedom of association and protection of the right to organise, and the workers’ organisations to have the right to elect their representatives in full freedom.

### Politicalisation

In a democracy, political influence of trade unionism cannot be avoided. However in India, the historical development of trade-union movement was inseparably intermingled with political movement through liberation struggle. In the initial stages, it helped union to record rapid growth and gain considerable influence with the government in power. In the long run, it has become a curse for undoing the very objective of trade unionism the unity among the working class. The disadvantages are dependence on outside leadership who are not committed to the organisation, exploitation of trade unions and workers’ strength by political parties to meet their political objectives, multiplicity of trade unions because of the existence of multiple political parties., Any spilt in the parental political party automatically spilt the corresponding trade unionism. Examples are the spilt in communist party of India into CPI and CITU owing allegiance to CPM, inter-union and intra-union rivalry and disunity among the employees which weaken their bargaining power, exploitation of the disunity among the union by employers in their effort to play them, one against other.

### Democracy and Leadership

One of the basic objectives of trade unionism is to promote industrial democracy. This objective is achieved when trade union is an organization of the workers’ in practice, this rarely happens and instead less participation, openness and transparency. Decision

making is centralized Elections are often postponed and positions are filled repeatedly by nominations, rank and file are pampered with promises and seldom get near top decision-making process. Positions get worse when unions are guided by outside leader and regulated by the policies or political parties. Absence of democratic leadership reduces the effectiveness of trade unions and prevents the development of Trade Union from among the workers within the industries [12]. The disadvantages of outside leadership are obsession with political ideology or and personal interest, lack of intimate knowledge of working conditions and workers problem, lack of stake in the survival of organisation and commitment, pre-occupation with many unions; some studies have showed that a particular political leader was president of 20 odd unions in Bombay.

### Management Attitude

Management, by and large, take an unhelpful attitude. Unionism is considered by them as an anathema. Union leaders, according to managers are trouble makers. They are there to break the harmony between the management and workers. They restrict the managers; power in decision-making, question their discretion and wisdom and obstruct their “right to manage”. Given this mindset, very often, they find fault with union for all difficulties faced by management; be it on low productivity, low quality, low profitability or lack of good will from customers. No doubt, some union leaders are also responsible for the negative image of their unions because of use of muscle power, money power and militant methods adopted by them which is called “irresponsible unionism”. Managers also take advantage of multiple trade unions and their inter-union rivalry by playing one against another. Another area is the recognition of trade union to become a bargaining agent. Management makes use of the loopholes of the existing labour legislation in with holding or delaying the recognition. Management considers trade union a legal obligation. This does not bring faith and good will.

### Statutory Support

Indian constitution considers formation of association as a fundamental right. Indian Trade Union Act allows any seven workers to join together and form a Trade union. Both give rise these file to formation of multiple trade unions which goes against the very concept of unionism-the unity workers. No central legislation now exists which makes it compulsory for management to recognize more than one unions or not to recognize anyone. This has further weakened the trade union and their bargaining power. The Indian Trade Union Act further allows 50 per cent of officer-bearers from outside the organization and 10 per cent of leadership from outside. This provision resulted politicalisation, and remote control of union activities from outside the organisations. Even the “code of discipline” only recommend recognition of trade union as a voluntary action. Recognition of trade union causes rivalry from others who are not recognized. This problem can be tackled by bringing out comprehensive central legislation covering all aspects such as Recognition, Multiplicity, Outside leadership, etc.

### Illiteracy and Ignorance

Majority of Indian labour is illiterate, ignorant and poor. They are exploited by unscrupulous trade union leaders, which result in the following problems. These workers are easily brain-washed to become card holders of political parties and work for such parties at the expense of working clause interest and unity. Workers are divided on caste religion, ethnic and creed lines which goes against trade union objectives of unity and identity. Illiteracy and ignorance are

also exploited by outside leaders who prevent development of leaders from within the organization. Workers are too ignorant to know their rights and often pampered with false promises by union-leaders and politicians. This is the tendency of a worker moving from one union to other with the hope that such a change will improve his economic gains. At times, they may even hold membership of more than one union.

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