



## A conceptual framework of the trade union movement in India

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### Abstract

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 a crucial role to protect the interest of its members. 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. The present study is conceptual framework in nature looking into the Trade Union movement and its progress in the Indian Context.

**Keywords:** union, industry, collective bargaining

### 1. Introduction

Trade unions are organizations of workers formed to protect the rights and interests of workers through collective action.

In India, the first quarter of the 20th century gave the birth of the trade union movement. A series of strikes were declared in India in the twenties. The success of most of these strikes led to the organization of many unions.

In 1920, the All India Trade Union Congress (AITUC) was set up. In 1926, the Trade Unions Act was passed which gave a legal status to the registered trade unions.

Subsequently many trade unions were formed such as:

- Indian National Trade Union Congress (INTUC),
- Centre of Indian Trade Unions (CITU),
- Hind Mazdoor Sabha (HMS),
- Bharatiya Mazdoor Sangha (BMS),
- United Trade Union Congress (UTUC), and
- National Federation of Independent Trade Unions (NFITU).

### Growth of trade unions in India <sup>[1]</sup>

It was not until the close of First World War, that the modern trade Union movement really took permanent roots in Indian Soil.

The establishment of Bombay Mill Hands' Association is considered as the first phase of the trade union movement in India. In 1905, the Printers Association of Calcutta and Dock Union Board in Bombay were formed.

There was labor unrest in India at the end of the First World War. In several industries, the workers went on strikes to secure wage increases. The Russian Revolution and the Industrial Labor Organization have inspired the Indian

laborers to launch trade unions like the Spinners Union and Weaver's Union which had been established in Madras and Ahmedabad respectively.

But the important step in the history of Indian trade unionism was the foundation of All India Trade Union Congress in 1920. There had been a steady progress of trade union movement in India. However, the decision of the Madras High Court that the formation of trade union is illegal stood in the way of its development.

In 1926, the Trade Unions Act was enacted to give legal recognition to the different trade unions. The said Act also, conferred certain privileges on the registered trade unions in an industrial unit. The Trade Unions Act has made it compulsory on trade unions to use their funds for workers interests and to prescribe a fee of at least 25 paise per works. Most of the members of the executive committee of a trade union must be employed in the factory.

In 1930, the climate was not favorable to the growth of trade Union movements in India. The prosecution of the communists involved in Meerut conspiracy case and the failure of Bombay Textile strike of 1929 retarded the trade union movement. Moreover the serious economic depression was added with it, during the period.

In the next phase, the Second World War gave a great impetus to the trade union movement in India. The rising cost of living forced laborers to organize themselves into trade unions. At the same time the Second World War split the trade union leaders on the question of participating in the war. Industrial unrest was also increased during this period. As a result; there was a marked increase in both the number of trade unions and of organized workers.

<sup>1</sup> Brief History of Trade Union Movement in India: Economy of India on November 21, 2013 by Nitin Singhal

With independence and partition, the country was plunged into growing unemployment. A series of strikes occurred, in the country. The All India Trade Union Congress was split up as a result of which the Indian National Trade Union Congress (INTUC) was formed in 1947 under the control of congress party. The Hind Mazdoor Sabha (HMS) was formed by the socialist Party in 1948, and United Trade Union congress (UTUC) was formed in 1949. Recently, Centre of Indian Trade Unions (CITU) has been formed by the Communist Party (Marxists).

There are more than fourteen thousand registered trade unions in India. The steady growth of trade unions in India is due to the political consciousness among the laborers as well as the governmental measures to facilitate collective bargaining through appropriate legislation.

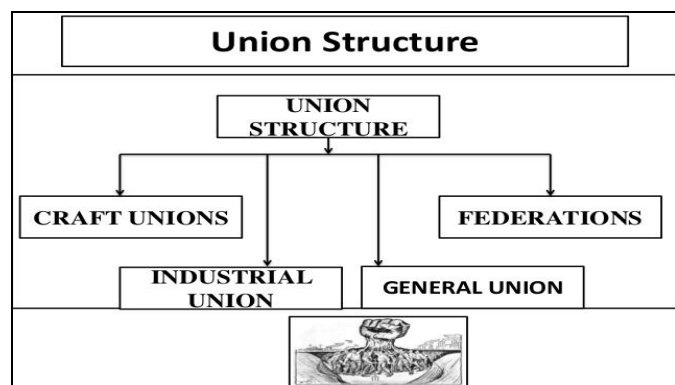


Fig 1

**The main characteristics of the trade unionism are**

- Small size of membership,
- Lack of adequate finance,
- Non fulfillment of welfare schemes,
- Control of political parties,
- Outside interference in the activities of labor unions.

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

- All India Trade Union Congress (AITUC)
- Indian National Trade Union Congress (INTUC)
- Bhartiya Mazdoor Sangh (BMS)
- Centre of Indian Trade Unions (CITU)

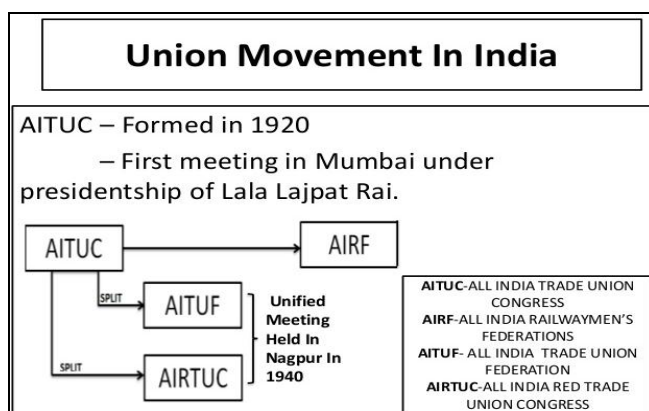


Fig 2

Table 1 gives some idea about the growth of the trade union movement in India

Table 1: Growth of the Trade Union Movement in India

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

The membership scenario of the major central trade unions is borne out by the following Table 2.

Table 2: Union Membership as on end March, 1994

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

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

**Factors Which Contributed to Growth**

- World war I
- Influence of political Leaders
- The International Labour organization
- The Russian Revolution

## The Trade Union Act.

### Evolution of trade union movement

The first phase falls between 1850 and 1900 during which the inception of trade unions took place. During this period of the growth of Indian Capitalist enterprises, the working and living conditions of the labor were poor and their working hours were long.

Capitalist were only interested in their productivity and profitability. In addition to long working hours, their wages were low and general economic conditions were poor in industries. In order to regulate the working hours and other service conditions of the Indian textile labors, the Indian Factories Act was enacted in 1881.

As a result, employment of child labor was prohibited. Mr.N M lokhande organized people like Riskshawalas etc., prepared a study report on their working conditions and submitted to the factory labor Commission.

The Indian Factory Act of 1881 a mended in 1891 due to his efforts. Guided by educated philanthropists (generous donors) and social workers like Mr.lokhande, the growth of trade union movement was slow in this phase. Many strikes took place in the two decades following 1880 in all industrial cities. These strikes taught workers to understand to power of united actions even though there was no union in real terms. Small associations like Bombay Mill-Hands Association came up.

The Second phase of the Indian trade union movement falls between 1900 and 1947 this phase was characterized by the development or organized trade union and political

movements of the working class. It also witnessed the emergence of militant trade unionism.

The First World War (1914-1918) and the Russian revolution of 1917 gave a new turn to the Indian trade unions movement and organized efforts on part of the workers to form trade unions.

In 1918, B p Wadia organized trade unions movements with Textile mills in Madras.

He served strike notice to them and workers appealed to Madras High Court because under 'Common Law', strike is a breach of law

In 1919, Mahatma Gandhi suggested to let individual struggle be a Mass movement. In 1920, the First National Trade unions organization (The All India Trade Unions Congress (AITUS)) was established. Many of the leaders of this organization were leaders of the national Movement. In 1926, trade unions law came up with the efforts of Mr N N Joshi that became operative from 1927.

The Third phase began with the emergence of independent India (in 1947), and the Government sought the cooperation of the unions for planned economic development. The working class movement was also politicized along the lines of political parties. For instance Indian national trade Union Congress (INTUC) is the trade unions arm of the Congress Party. The AITUS is the trade unions arm of the Communist party of India. Besides workers, white-collar employees, supervisors and managers are also organized by the trade unions, as for example in the banking Insurance and petroleum industries.

Table 3

Some Figures of Trade Unions								
Year	No of registered Trade Unions	No of Unions Submitting returns	Membership of Unions submitting return					
			Men		Women		Total membership ('000)	Average membership per union
			N ('000)	% To total	N ('000)	% To total		
1991	53535	8418	5507	90.3	59.4	9.7	6100	725
1992	55680	9165	5148	89.6	598	10.4	5746	627
1993	55784	6806	2636	84.1	498	15.9	3134	460
1994	56872	6277	3239	79.1	856	20.9	4095	652
1995	57952	5675	5675	86.8	863	13.2	6538	801
1996	58988	4250	4250	75.9	1351	24.1	5601	773
1997	60660	6504	6504	87.8	905	12.2	7409	835
1998	61992	6104	6104	84.2	1145	15.8	7249	979
1999	64817	8152	5190	81	1218	19	6407	786
2000	66056	7253	4510	83.2	910	16.8	5420	747
2001	66624	6531	4392	74.8	1481	25.2	5873	900
2002	68544	7812	5102	73.2	1871	26.8	6973	893

Source: <https://pt.slideshare.net/hemangitawde147/trade-union-ppt?ref=>

### Functions and Roles of trade unions: changing patterns <sup>[2]</sup>

Trade unions are a legitimate system for organising workers to voice their rights and grievances. Without unions, companies would become either too paternalistic or too dictatorial (Thomas, 2005). Responsible unions play an important role in maintaining cordial relations between management and labour. The aims and objectives of the major trade unions in

India are seen to vary according to their political ideologies (Ratnam, 2006). For instance, some unions are influenced by Leftist principles aimed at overhauling the capitalist mode of production as a whole. However, irrespective of trade unions' political affiliations, their generic functions may be categorized as follows:

#### Primary Functions

The primary function of a trade union is to promote and protect the interest of its members (Perlman, 1928; Hoxie,

<sup>2</sup> The changing roles of trade unions in India; Asian Academy of Management Journal, Vol. 14, No. 1, 37-57, January 2009 Piyali Ghosh<sup>1</sup>\*, Shefali Nandan<sup>1</sup> and Ashish Gupta<sup>2</sup>

1921). This can be summarised as follows:

1. To improve working and living conditions and to represent workers' interests in various fora (Freeman & Medoff, 1984).
2. To offer responsive cooperation in improving levels of production and productivity, discipline, and high standards of quality.
3. To secure fair wages for workers. Madheswaran and Shanmugam (2003) have analysed the impact of trade unions on wages by estimating the union-non-union wage differential using a single wage equation, treating unionism as a dummy. They estimate that workers within the union sector earn 19% more than the workers in the non-union sector.
4. To enlarge opportunities for promotion and training.
5. To promote identity of workers' interests with their industries.
6. To cooperate in and facilitate technological advancement by broadening workers' understanding of underlying issues.

### **Value Addition and New Functions**

Rapid changes in technology and successive revisions in pay have undoubtedly improved workers' conditions within the organised sector but mostly at the cost of loss of control over jobs (Ratnam, 2006). Such structural changes among the working population, along with economic growth and a sustained increase in capital intensity in both the product and labour markets (Jose, 1999), have necessitated a paradigm shift in the roles of trade unions: from predominantly bargaining institutions, they have become specialised, representing the voice and interests of labour. Ranganathan (2004) attempted to understand the dynamics of the trade union movement in public sector units (PSUs) when measured against economic reforms in India. According to him, in the post-economic reforms era, the enhanced penetration of media has caused workers to become better informed and increasingly aware of economic issues in their respective industries. As a result, management has also become more sensitive and skilled in handling relationships with employees, even in family-owned and-managed businesses (Thomas, 2005).

### **New functions of trade unions**

In addition to their traditional bargaining activities, unions now have a newly acquired voice and representative function. Many of them are trying to increase their value to workers by providing a variety of services to their members, as well as to the community to which they belong. Such services range from providing legal and financial advice to improving skills. These new functions of trade unions (also called ancillary functions [Monappa, 2000]) can be categorised into the following groups:

#### **1. Communication**

Many large unions publish a newsletter or a magazine, with the main aim of clarifying their policy or stance on certain principal issues, as well as to pass on information about their activities.

#### **2. Welfare Activities**

Many unions are engaged in a number of welfare activities, such as providing housing and organising cooperative societies to improve the quality of workers' lives. The Textile Labour Association (TLA), Ahmedabad, for example, has ventured to organise self-employed women (in the Self Employed Women's Association [SEWA]) and has even started banking activities for this purpose.

#### **3. Education**

Education helps to make workers aware of their surrounding environments. Unions make efforts to launch educational programs for workers to enhance their knowledge of the work environment and to inform them about issues concerning them, particularly those regarding their rights and responsibilities and regarding procedures and systems that exist in the workplace for redressing grievances.

#### **4. Research**

Union negotiators need updated information to be systematically collected and analysed at the bargaining table. They also need to backup their wage demands with knowledge of the industry, of productivity, and of comparative industry practices. Many unions conduct their own research to this effect, laying emphasis on practical problems, especially day-to-day affairs at work.

Their writing do not specify the conditions providing stimulus to the development of trade unions and determining the pattern of their growth with regard to the ultimate goals of trade unions, the Webbs have laid emphasis on their being instrument of democratizing of both the work community and society as a whole. They have thus not foreseen other goals which the trade unions also adopt and which have been emphasized by other theorists.

### **The Marxian Theory**

#### **Karl Marxian Theory**

Karl Marx has explained the emergence and growth of trade unionism as a result of rise of two opposed classes-the capitalist, teamed by him as the bourgeoisie, and free laborers, whom he called the proletariat,. His theory of trade unionism is based on the conflict inherent between these two classes.

Although Marx's ideas about the origin, growth and role of trade unions in such a system is found in most of his writings. these are particularly found in his work The poverty of philosophy (1847). The Communist manifesto (1848), The inaugural Address of the First International Workingmen's

Association (1864) and his correspondence with Friedrich Engels and others.

After the industrial revolution, when the usage of machines started for the production of commodities, concentration of free laborers under one roof happened on a large scale. At that time, the laborers' received merely subsistence wages which too were nibbled at by the bourgeoisie. In order to resist this, the proletariat had no alternative but to make a common stand. This gave birth to trade unions. Initially, they had to combine to stop competition among themselves for obtaining more wages. Later, when the sense of unity strengthened and solidarity took strong roots among them, they started



industrial struggle against the bourgeoisie which ultimately took the shape of a political struggle.

Marx has said that the struggle was first carried on by individual laborers', then by work-people of a factory, and at last by the operative of one trade and one locality against. This the proletariat had no alternative but to make a common stand. This gave birth to trade unions. Initially they had to combine to stop compaction among themselves for obtaining more wages. Later, when the sense of unity strengthened and solidarity took among them they started industrial struggle against the bourgeoisie which ultimately took the shape of a

political struggle.

Marx has said that the struggle was first carried on by individual labourers, then by work-people of a factory, and at last by the operatives of one trade and one locality against the individual bourgeois who directly exploited them. At this stage, the laborers' were still an unorganized mass scattered over different parts of the country. with the solidarity broken up by mutual competition.

In the next stage along with the development of industry and growth in labours' numbers, they started clubbing together and

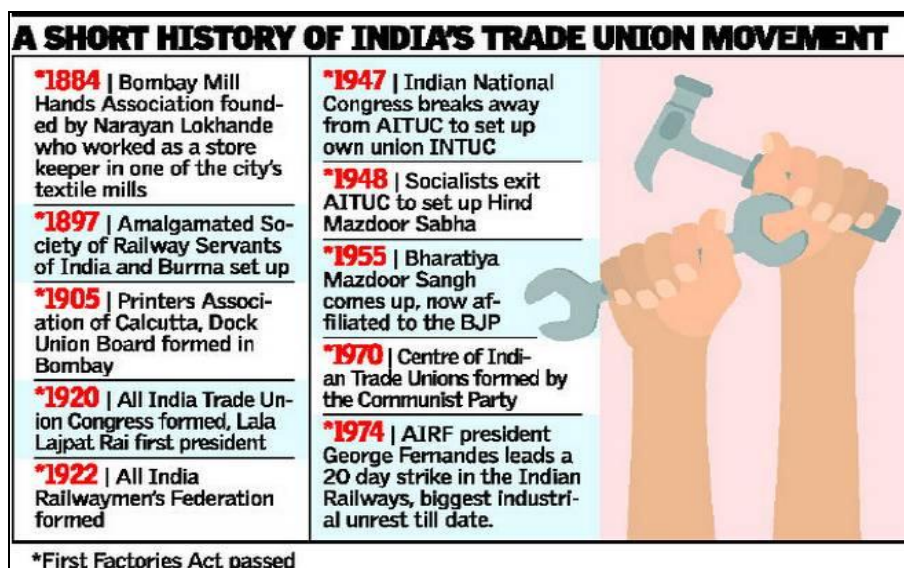


Fig 3

## Conclusion

Industrialization is the only key to economic development because it is the fundamental process to utilize the enormous available human assets and other physical & natural resources for the consistent advancement of a developing country, like India. Trade unions are nothing but a — Pressure Group (also known as Advocacy groups, interest groups, campaign groups, lobby groups, a protest group, or special interest groups), which exert a pressure and use various forms of advocacy on the management/ employers, or even on Govt. in order to influence policy, legislation, opinion, strategy, decisions etc. in favor of the workers/ employees. The aim of all pressure groups is to influence the people who actually have the Decision-making power (management, employer or Govt.). Trade Unionism is a by-product of rapid industrialization right from the colonial era. A trade union is nothing but a well-organized group of working class employees for protecting, sustain, and enhanced the group members' interests and benefits on the basis of unity of strength.

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