

## **Concepts**

Trade Unions: General features, Trade unions and their growth, Evolution of Trade Unions in India, Need for trade unions, Theories of trade unionism, Problems of Trade Union, structure and classification of trade unions. Objectives & membership of major federations in India, Problems of Indian trade unions, Suggestions for Improvement.

## **TRADE UNION**

### **MEANING**

Trade union means an association formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen or between employers and employers.

### **DEFINITION**

1. An association carried on mainly for the purpose of protecting and advancing the members economic interests in connection with their daily work – **Prof. C. D. H. Cole**

2. According to Sec.2 (h) of the Trade Union Act, 1926, a TU means “Any combination formed for the purpose of regulating relations between;

- a) employers and employers
- b) employees and employees
- c) employers and employees

The activities of a TU are regulated by the labour department of the state government, particularly by the registrar of the Trade unions.

### **TRADE UNIONS (AMENDMENT) ACT, 2001**

The Trade Unions Act, 1926 provides for registration of trade unions of employers and workers and in certain respects, it defines the law relating to registered trade unions. It confers legal and corporate status on registered trade unions. The Act is administered by the concerned State Governments. Certain provisions of the Act were amended and given effect to w.e.f. 9.1.2002.

Some of the salient features of the Trade Unions (Amendment) Act, 2001 are:-

- (i) No trade union of workmen shall be registered unless at least 10% or 100, whichever is less, subject to a minimum of 7 workmen engaged or employed in the establishment or industry with which it is connected are the members of such trade union on the date of making of application for registration.
- (ii) A registered trade union of workmen shall at all times continue to have not less than 10% or 100 of the workmen, whichever is less, subject to a minimum of 7 persons engaged or employed in the establishment or industry with which it is connected, as its members.
- (iii) A provision for filing an appeal before the Industrial Tribunal / Labour Court in case of non-registration / restoration of registration has been provided.
- (iv) All office bearers of a registered trade union, except not more than one-third of the total number of office bearers or five, whichever is less, shall be persons actually engaged or employed in the establishment or industry with which the trade union is connected.
- (v) Minimum rate of subscription by members of the trade union is fixed at one rupee per annum for rural workers, three rupees per annum for workers in other unorganized sectors and 12 rupees per annum in all other cases.
- (vi) For the promotion of civil and political interest of its members unions are authorized to set up separate political funds.

## **REASONS FOR JOINING TRADE UNIONS**

The important forces that make the employees join a union are as follows:

### **1. Greater Bargaining Power**

The individual employee possesses very little bargaining power as compared to that of his employer. If he is not satisfied with the wage and other conditions of employment, he can leave the job. It is not practicable to continually resign from one job after another when he is dissatisfied. This imposes a great financial and emotional burden upon the worker. The better course for him is to join a union that can take concerted action against the employer. The threat or actuality of a strike by a union is a powerful tool that often causes the employer to accept the demands of the workers for better conditions of employment.

### **2. Minimize Discrimination**

The decisions regarding pay, work, transfer, promotion, etc. are highly subjective in nature. The personal relationships existing between the supervisor and each of his subordinates may influence the management. Thus, there are chances of favoritisms and discriminations. A trade union can compel the management to formulate personnel policies that press for equality of treatment to the workers. All the labor decisions of the management are under close scrutiny of the labor union. This has the effect of minimizing favoritism and discrimination.

### **3. Sense of Security**

The employees may join the unions because of their belief that it is an effective way to secure adequate protection from various types of hazards and income insecurity such as accident,

injury, illness, unemployment, etc. The trade union secure retirement benefits of the workers and compel the management to invest in welfare services for the benefit of the workers.

#### **4. Sense of Participation**

The employees can participate in management of matters affecting their interests only if they join trade unions. They can influence the decisions that are taken as a result of collective bargaining between the union and the management.

#### **5. Sense of Belongingness**

Many employees join a union because their co-workers are the members of the union. At times, an employee joins a union under group pressure; if he does not, he often has a very difficult time at work. On the other hand, those who are members of a union feel that they gain respect in the eyes of their fellow workers. They can also discuss their problem with the trade union leaders.

#### **6. Platform for self expression**

The desire for self-expression is a fundamental human drive for most people. All of us wish to share our feelings, ideas and opinions with others. Similarly the workers also want the management to listen to them. A trade union provides such a forum where the feelings, ideas and opinions of the workers could be discussed. It can also transmit the feelings, ideas, opinions and complaints of the workers to the management. The collective voice of the workers is heard by the management and give due consideration while taking policy decisions by the management.

#### **7. Betterment of relationships**

Another reason for employees joining unions is that employees feel that unions can fulfill the important need for adequate machinery for proper maintenance of employer-employee relations. Unions help in betterment of industrial relations among management and workers by solving the problems peacefully.

### **OBJECTIVES OF TRADE UNIONS**

Trade unions are formed to protect and promote the interests of their members. Their primary function is to protect the interests of workers against discrimination and unfair labor practices.

**Trade unions are formed to achieve the following objectives:**

#### **•Representation**

Trade unions represent individual workers when they have a problem at work. If an employee feels he is being unfairly treated, he can ask the union representative to help sort out the difficulty with the manager or employer. Unions also offer their members legal representation. Normally this is to help people get financial compensation for work-related injuries or to assist people who have to take their employer to court.

#### **• Negotiation**

Negotiation is where union representatives, discuss with management, the issues which affect people working in an organization. There may be a difference of opinion between management and union members. Trade unions negotiate with the employers to find out a solution to these

differences. Pay, working hours, holidays and changes to working practices are the sorts of issues that are negotiated. In many workplaces there is a formal agreement between the union and the company which states that the union has the right to negotiate with the employer. In these organizations, unions are said to be recognized for collective bargaining purposes.

• **Voice in decisions affecting workers**

The economic security of employees is determined not only by the level of wages and duration of their employment, but also by the management's personal policies which include selection of employees for lay offs, retrenchment, promotion and transfer. These policies directly affect workers. The evaluation criteria for such decisions may not be fair. So, the intervention of unions in such decision making is a way through which workers can have their say in the decision making to safeguard their interests.

• **Member services**

During the last few years, trade unions have increased the range of services they offer their members. These include:

- o Education and training - Most unions run training courses for their members on employment rights, health and safety and other issues. Some unions also help members who have left school with little education by offering courses on basic skills and courses leading to professional qualifications.
- o Legal assistance - As well as offering legal advice on employment issues, some unions give help with personal matters, like housing, wills and debt.
- o Financial discounts - People can get discounts on mortgages, insurance and loans from unions.
- o Welfare benefits - One of the earliest functions of trade unions was to look after members who hit hard times. Some of the older unions offer financial help to their members when they are sick or unemployed

**FUNCTIONS OF TRADE UNIONS**

Trade unions perform a number of functions in order to achieve the objectives. These functions can be broadly classified into two categories:

- (i) Militant functions,
- (ii) Fraternal functions

**Militant Functions**

One set of activities performed by trade unions leads to the betterment of the position of their members in relation to their employment. The aim of such activities is to ensure adequate wages, secure better conditions of work and employment, get better treatment from employers, etc. When the unions fail to accomplish these aims by the method of collective bargaining and negotiations, they adopt an approach and put up a fight with the management in the form of go-slow tactics, strike, boycott, gherao, etc. Hence, these functions of the trade unions are known as militant or fighting functions. Thus, the militant functions of trade unions can be summed up as:

- To achieve higher wages and better working conditions

- To raise the status of workers as a part of industry
- To protect labors against victimization and injustice

### **Fraternal Functions**

Another set of activities performed by trade unions aims at rendering help to its members in times of need, and improving their efficiency. Trade unions try to foster a spirit of cooperation and promote friendly industrial relations and diffuse education and culture among their members. They take up welfare measures for improving the morale of workers and generate self confidence among them. They also arrange for legal assistance to its members, if necessary. Besides, these, they undertake many welfare measures for their members, e.g., school for the education of children, library, reading-rooms, in-door and out-door games, and other recreational facilities. Some trade unions even undertake publication of some magazine or journal. These activities, which may be called fraternal functions, depend on the availability of funds, which the unions raise by subscription from members and donations from outsiders, and also on their competent and enlightened leadership.

Thus, the fraternal functions of trade unions can be summed up as:

- To take up welfare measures for improving the morale of workers
- To generate self confidence among workers
- To encourage sincerity and discipline among workers
- To provide opportunities for promotion and growth
- To protect women workers against discrimination

### **IMPORTANCE OF TRADE UNIONS**

The existence of a strong and recognized trade union is a pre-requisite to industrial peace. Decisions taken through the process of collective bargaining and negotiations between employer and unions are more influential. Trade unions play an important role and are helpful in effective communication between the workers and the management. They provide the advice and support to ensure that the differences of opinion do not turn into major conflicts. The central function of a trade union is to represent people at work. But they also have a wider role in protecting their interests. They also play an important educational role, organizing courses for their members on a wide range of matters. Seeking a healthy and safe working union activity.

Trade unions help in accelerated pace of economic development in many ways as follows:

- by helping in the recruitment and selection of workers.
- by inculcating discipline among the workforce
- by enabling settlement of industrial disputes in a rational manner
- by helping social adjustments.

Workers have to adjust themselves to the new working conditions, the new rules and policies. Workers coming from different backgrounds may become disorganized, unsatisfied and frustrated. Unions help them in such adjustment. Trade unions are a part of society and as such,

have to take into consideration the national integration as well. Some important social responsibilities of trade unions include:

- promoting and maintaining national integration by reducing the number of industrial disputes
- incorporating a sense of corporate social responsibility in workers achieving industrial peace

## **TRADE UNIONISM IN INDIA**

The trade unionism in India developed quite slowly as compared to the western nations. Indian trade union movement can be divided into three phases.

### **The first phase (1850 to 1900)**

During this phase the inception of trade unions took place. During this period, the working and living conditions of the labor were poor and their working hours were long. Capitalists were only interested in their productivity and profitability. In addition, the wages were also low and general economic conditions were poor in industries. In order to regulate the working hours and other service conditions of the Indian textile laborers, the Indian Factories Act was enacted in 1881. As a result, employment of child labor was prohibited

The growth of trade union movement was slow in this phase and later on the Indian Factory Act of 1881 was amended in 1891. Many strikes took place in the two decades following 1880 in all industrial cities. These strikes taught workers to understand the power of united action even though there was no union in real terms. Small associations like Bombay Mill-Hands Association came up by this time.

### **The second phase (1900 to 1946)**

This phase was characterized by the development of organized trade unions and political movements of the working class. Between 1918 and 1923, many unions came into existence in the country. At Ahmedabad, under the guidance of Mahatma Gandhi, occupational unions like spinners' unions and weavers' unions were formed. A strike was launched by these unions under the leadership of Mahatma Gandhi who turned it into a satyagrah. These unions federated into industrial union known as Textile Labor Association in 1920. In 1920, the First National Trade union organization (The All India Trade Union Congress (AITUC)) was established. Many of the leaders of this organization were leaders of the national Movement. In 1926, Trade union law came up with the efforts of Mr. N N Joshi that became operative from 1927. During 1928, All India Trade Union Federation (AITUF) was formed.

### **The third phase began with the emergence of independent India (in 1947).**

The partition of country affected the trade union movement particularly Bengal and Punjab. By 1949, four central trade union organizations were functioning in the country:

1. The All India Trade Union Congress,
2. The Indian National Trade Union Congress,
3. The Hindu Mazdoor Sangh, and
4. The United Trade Union Congress

The working class movement was also politicized along the lines of political parties. For instance Indian national trade Union Congress (INTUC) is the trade union arm of the Congress Party. The AITUC is the trade union 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.