

CHAPTER - I I  
INTRODUCTION TO TRADE UNIONS

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Introduction:

In Independent India, we are naturally attaching considerable importance to the growth of industry. One of the objectives of Five-Year Plans is rapid and balanced growth of industrialization in key industries. From 1956, the Government of India also entered in the industrial field in a big way, with the development of public sector. During the last two decades, industrial revolution is made by the development of big, small and medium industrial units, both in the private and public sectors.

The modern industrialization creates the labour problems such as employment of women and children even for heavy manual work, long hours of work, low wages, lack of facilities, bad working and living conditions, heavy workload and inhuman treatment. Individually, the workers find it difficult to cope up with management, so they organize themselves into trade unions and fight the employers directly in the industrial field. Through the collective action of the employees, they can ask for more wages, less hours of work, reasonable amenities and humane treatment. Thus, a trade union is born.

1) Concept of Trade Unions:

Though the trade union is thus an economic organization, asking for more wages and less hours of work, it also

serves as a moral institution or a militant, revolutionary body a welfare agency or an agent for social change. Thus, the trade unions can perform the variety of roles.

Every country which has gone along the path of modern industrialization has developed modern trade unions. Hence, a study of trade union movements in the advanced countries like England, the United States of America and Soviet Russia may prove fruitful, particularly from the viewpoint of adoption of certain good practices prevalent in these countries. These movements, which are older and more prosperous can serve as models and can provide definite guidelines for our trade union movements.

The history of the labour movement and its salient features in the past and present may give us some guidance for immediate future. Our trade unions have still serious drawbacks such as low membership, unsound finance, lack of welfare measures, preoccupation with strikes and litigation, dominance of outsiders and political parties. If our trade union movement is developed on sound lines, these defects will be definitely removed. The nature and causes of these present defects can be found in the past of the movement. Hence, the need of the study of the past and present of the Indian trade union movement.

Finally, an intensive study of trade unions on the lines mentioned above may suggest the measures to be undertaken for the proper development of a strong, healthy and constructive trade union movement in India.<sup>1</sup>

## 2) Some Definitions:

The definition of a trade union depends upon the role we assign to this institution. A trade union is expected to perform a variety of functions. Different people look upon the trade union from different viewpoints. It is a moral institution, inspiring the workers to lead a good life by better education, recreation and other healthy aspects of living. Gandhiji, as a social reformer, built up the Textile Labour Association in Ahmedabad on these moral lines. He believed in such values as purity of means, dignity of labour and faith in the individual. Such a trade union aims at making the worker a better individual and a better citizen.

The Constitution of India of 1950 and the Indian planning in 1954 are the overall goals of socialistic pattern, for the reconstruction of our society. These two aspects are very closely related to the spirit of trade unionism. Democracy implies rule by the people, of the people and for the people. Definitions of trade union are made differently by various authors in different countries. These definitions are summarised below:

- 1) The most popular definition is the one given by Sydney and Beatrice Webb, who called the trade union, "a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives". This definition highlights two features, viz. (1) trade union

is a permanent body; and (2) its main purpose is to improve the conditions of the workers. From this, the baseline definition is worked out as: 'A trade union is usually a workers' organization.'<sup>2</sup>

- 2) However, the definition of a trade union in the Indian Trade Unions Act of 1926 is given as: 'Any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen or between employers and employers or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more trade unions'. This legal definition is defective, not merely because it allows even non-workers to form a trade union, but also because it is narrow and vague about the aims and purposes of forming such an organization. The statistics collected under the Act provide separate figures for "Employees' Unions" and "Workers' Unions".

Other Definitions:

- 3) G.D.H.Cole defines a trade union as "an association of workers, in one or more occupations - an association carried out mainly for the purpose of protecting and advancing the members' economic interests in connection with their daily work".
- 4) According to J.Cunission, a trade union is "a monopolistic combination of wage-earners who stand to the employers in 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".

- 5) According to Shri.W.V.Giri, former President of India, trade unions are, "voluntary organizations of workers formed to promote and protect their interests by collective action".

A trade union is thus a collective bargaining agent for its members to negotiate wages, hours of work, terms of service, etc.

It may be worth considering the various methods utilized by the trade unions to achieve their goals, e.g. furtherance of the interest of workers, and in particular, their members. To achieve this, trade unions may utilize a variety of means. The methods can be divided into four types:

- a) Method of mutual insurance or welfare work;
- b) Method of collective bargaining;
- c) Method of legal enactment; and
- d) Method of direct action.

### 3) Role of Trade Unions in Welfare Activities:

The role played by the trade unions in the Indian industries has had many critics. As one foreign observer has said, "One of the most maligned in the world". Apparently, hardly anyone outside the trade union world has been willing

to confer an unqualified praise on the Indian trade union movement. One or two Unions, notably the Ahmedabad Textile Labour Association set up in 1920 under the inspiring sponsorship of Mahatma Gandhi, attracted so much admiration in the chaotic world of trade unions in India so as to become a showpieces. India has also had the distinction of having the largest number of registered and unregistered trade unions.

Currently, the former number over 20,000, and the latter, judging by a sample survey conducted in Maharashtra a few years ago, number nearly another 5,000. No doubt, such multiplicity of Unions is also a feature of the industrial scene in Pakistan, Bangladesh and Sri Lanka, all ex-colonial countries which were ruled by the British. But it was not during the British regime that such proliferation of Unions took place. It is more a post-Independence phenomenon than a creation of the erstwhile British Raj.

The common practice is to blame it all on the Trade Unions Act, 1926, which enables a union to be registered with a membership of seven only. However, this law is not different from the then prevalent law in the United Kingdom. The most important factor to be borne in mind is that the conditions and circumstances which encourage the registration of a large number of Unions and the functioning of a sizeable number of unregistered Unions did not exist during the British regime.

Amenities are a desirable state of existence which includes physical, mental, emotional and moral wellbeing. It suggests many ideas, such as health wellbeing, happiness, development and prosperity of human resources. According to Oxford Dictionary, 'amenities' are "efforts to make life worth living for workers". According to Investigation Committee, "anything done for the intellectual, physical, moral and economic betterment of workers, whether by employers, by Government or by other agencies over and above what is laid down by law" means 'amenities'.

According to Dr. Panandikar, "work for improving the health, safety and general wellbeing and the industrial efficiency of the workers beyond the minimum standard laid down by labour legislation"<sup>5</sup> means 'amenities'.

From the above, it is clear that none is complete and comprehensive. There is no definite demarcation in this subject. Any kind of voluntary service comes under the labour welfare. It helps the workers to work better, live better in physical, social and economical manner.

The Committee of Experts on Welfare Facilities to Industrial Workers by ILO in 1963 had divided the welfare into two groups:

1. Extra-mural activities;
2. Intra-mural activities.

1. **Intra-Mural Activities:**

These activities include: (a) washing and bathing facilities, (b) rest halts and canteens, (c) health service, (d) latrines and urinals, (e) administrative arrangement, (f) uniforms and safety clothing, (g) shift allowances.

2. **Extra-Mural Activities:**

These activities include: (a) housing facilities, (b) recreation facilities, (c) workers training, (d) workers co-operation, (e) maternity benefits, (f) provident-fund, pension, gratuity, (g) medical facilities, (h) educational facilities, (i) transport facilities.<sup>6</sup>

Provision of such amenities is most advantageous from the workers' viewpoint, because:

1. they feel that they have some stake in the undertaking in which they are working and they do not take any reckless actions;
2. It helps to increase the real income of the employees and they try to avoid industrial disputes as far as possible;
3. It influences the sentiment of the workers. Development of such a feeling helps to maintain industrial peace;
4. It helps to improve the physique, intelligence, moral and living standards which ultimately helps to improve the productivity;
5. It helps to reduce labour turnover and absenteeism;
6. It helps to keep a better mental and moral health of the workers.



Thus, 'welfare' is important and integral part of the industrial management and it highly helps the management to improve the productivity.

**b) Role of Trade Unions in Wage Fixation:**

'Wages' is nothing but the price paid for the services rendered in the production by the labour. It includes all the payments and allowances made to the labour. Wages thus defined are all remunerations capable of being expressed in terms of money, which is payable to a person employed. While it does not include TA, employers' contribution to PF, gratuities or the value of housing accomodation or welfare services, provided by the employer.

Almost in every industry, all labour problems are related to the wages. The standard of living, economic wellbeing, efficiency, labour-cost, all these are related to the wages paid to the workers. It is a cause of industrial disputes. So, the problem of wages requires very close and careful study of all its aspects. The success of a concern depends upon the wages paid to the employees.

The trade unions help to control the wages and the determination of the dearness allowance according to the changes of purchasing power of the employees. The state assistance and legislative provide assistance to safefuard their rights and help to fight for illegal discharge. It should be accepted that the Unionism dhelps to keep and maintain proper wage policy.

In the cotton textile industry and railways, the trade unions have proved their worth by establishing the payment of dearness allowance. The DA was first granted in cotton industry in Bombay in December 1939. Scales were revised in 1941 and it was linked with living index. In Kanpur, the State Government of Uttar Pradesh revised the scales in 1948. 'Aminities allowance' was given for the first time to jute workers in Bengal in 1941.

The earnings of the workers increased year-by-year between 1939-1973. Dearness allowance also increased gradually and became a part of the total earnings. Thus, the trade union have a direct impact on the wages through collective bargaining. Strong unions secured higher wages. Thus, the trade unions played a dominant role in wage-determination for the workers.

**c) Role of Trade Unions in Productivity:**

'Productivity' has been defined by the ILO as "the ratio of output to the corresponding input of labour".<sup>7</sup>

It is defined by the International Labour Office as "the ration between output and one of the factors of input is generally known as the productivity of the factor considered. So, it is the ration between output and any one factor of production like land, labour, capital or organization.

The European Economic Community Organization defines it as "the ratio between the production of a given commodity measured by volume and one or more of the factors

of input, also measured by volume".

Sometimes, 'productivity' is referred as an 'elusive concept'. In beginning of the 20th century, the Attalio has complained that "productivity is one of those, alas too frequent, notions which owes to complexity and diversity of its component elements is a source of many confusions in economic literature".

The trade unions are working as the representatives of the workers and they can play an important role in enhancing the productivity. It exercises direct as well as indirect influence over workers. The management, whether public sector, private sector or government, the trade union is a bridge to maintain smooth relations between the two factors of production, i.e. labour and management. They develop a philosophy of work in order to foster a spirit of co-operation and develop a strong band of committed workers to increase the productivity.

Thus, the trade unions can also play an important role in achieving higher rate of productivity by maintaining industrial harmony, which is highly required for higher productivity. It is secured if the workers are granted their rights. Trade Unions can secure all the things which are necessary to increase the productivity. From this, industrial peace is maintained, which is most essential for achieving higher productivity. Trade unions can undertake numerous other programmes with the help of management. The practice of arranging regular meetings at shop-floor level amongst workers should be encouraged.