Trade Unions - History of Labour Unions in India

The Trade Unions Act, 1926 (Erstwhile Indian Trade Unions Act) defines the term ‘Trade Union’ 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.

In traditional sense trade unions are continuous association of wage-earners for the purpose of maintaining of improving the conditions of their working lives.

Trade unions form a crucial component of the modern industrial system of a country, operating under respective constitutional mechanisms, adhering to the globally accepted principles laid down by organisations such as ILO.

Why is it in the news and what is its importance?

There have been instances of protest and dissatisfaction among several trade unions regarding changes in Labour laws and policies introduced by the government in recent years.

Further, different unions have called for Bandh(Blockade) at different points of time, featuring in news regularly. In this perspective, studying the Trade Unions, their historical development is necessary.

What is the need of trade Unions?

- Representation of collective stand and power of collective bargaining have been important for the growth of a stable working population across several economies.
- This has also contributed in workers securing better wages, job security, improvement in working conditions, more equitable sharing of the wealth created by them
- Continuity and support to stated policy has lent stability to the industrial production, and for the protection of the interest of both the workers and investors or industrialists.
- Right to form a Trade Union is guaranteed as a fundamental right under Article 19 (1) (c) of the Indian Constitution.

History of Labour Unions in India

- The trade unions genesis stemmed from the necessity of the time, protecting and securing the interest, presenting the collective demands, grievances of the industrial worker, from the second half of the nineteenth century, with establishment of industries.
Poor working conditions, undue long working hours were the concerns for the workers.

Although the Unions formed in the second half of the 19th century, they had limitations in effectively functioning as trade unions, they nevertheless were effective social unions, presenting the demands collectively, with an orientation to reform the ills.

Development of such trade unions was closely in sync with the development of the Industry in India.

In India, the first trade union came up in Bombay, after the establishment of textile mills in the 1850s.

Trade unions came up in Calcutta in 1854, with the establishment of Jute Mills.

Sohrabji Shapuri Bengali and C.P. Mazumdar were the leaders and early pioneers of the labour unions uprising.

The first factory Commission set up in 1879 studied the problems of industrial workers.

First trade union under the leadership of Narayan Meghji Lokhande - ‘Bombay Millhands Association’, founded in 1884, without any funds, office bearers.

In 1891, The Indian factory Act was passed

Some other Trade unions are Ahmedabad Weavers (1895), Jute Mills, Calcutta (1896), Bombay Mill workers (1897) Union.

Characteristics of the unions and the leadership

The leaders were Social Reformers and Nationalists with political inclination.

Approaches were welfare centric, and not on their rights.

Limited presence catering to the regions of industrial hubs, absent across the country.

Since it was in the nascent stage, concerted goals or long term targets were difficult to find.

The first Organised Trade union era-1918 and ahead.

The first organized Trade Union in India the Madras Labour Union was established in 1918.

Followed the organisational principles of the industrialised world.

The first world war along with increased communication and better awareness of the global players contributed to the development of the movement.

Recognised as the early phase of Labour Unionism.
Some important Unions were - Ahmedabad Textile Labour Association (1917), All India Postal and RMS Association.

All India Trade Union Congress is the oldest trade union federation, founded in 1920, under the leadership of Lala Lajpat Rai, Joseph Baptista, N.M Joshi and Diwan Chaman Lall.

Lala Lajpat Rai was the first president.

What fuelled the growth of the movement

- High Inflation of costs of basic commodities, affecting workers, and difficult living conditions, standards as a result of the war
- Emergence of the Home Rule League, Gandhian ideals and leadership, and prevailing conditions prompted the leaders of the day to work to address workers' plight.
- Workers were in need of able leadership to give voice to their demands and lead them in an organised manner.
- Events at the end of First World war, establishment of ILO, Russian Revolution.

Emerging phases of divergent ideologies-post 1925 era

- Witnessed increase in frequency of militancy and revolutionary activities,
- Divergence in movement due to breaking factions.
- Emergence of leadership like V V Giri, N M Joshi to moderate the movement, trying to bring it back to mainstream.
- AITUC broke away forming factions - National Trade Union Federation (NTUF) and All India Red Trade Union Congress (AIRTUC), later they were merged again.
- Legislative measures such as Trade Unions Act, 1926 and the Trade Disputes Act, 1929 propelled the growth of trade union associations, allowing rights in exchange of obligations.

Joining the National Narrative-post 1935 era

- Enhanced unity among different trade unions.
- Political influence and leverage of the Indian National Congress across different states led to growth and emergence of multiple organisations in this sphere.
- Legislative measures were adopted to confer power and recognition to different trade unions.
- The government of the day strived to promote industry on one hand while protecting the interest of the workers.
· Focus on securing wage and improved living conditions.

· This era is also marked by resentment among unions for suppression of their protests as a law and order issue by the state machinery, instead of reconciliation and workable resolution.

World War – II and a new era in Labour Movement

· The World War-2 further deteriorated the standard of living, coupled with skyrocketing inflation of common commodities

· Communists and the Congress witnessed a rift on the question of the War.

· Movement came out stronger as this War affected the common populace very adversely.

· Introduction of Industrial Employment Act, 1946 and Bombay Industrial Relations Act, 1946 marked an emergence and further strengthening of the Trade union movements.

· The movements also lent their voice to the national struggle and identified themselves as a crucial player in the national Struggle.

The Age of Post Independence-

· In the Post independence the Trade unions were more influenced by regional or national political affiliations, thereby blurring their own position with respect to the primary concerns of the workers.

· Witnessed rapid increase in numbers of trade Unions formed.

· Indian National Trade Union Congress was formed in 1947

· Post liberalization the influence has attenuated to certain extent, coupled with privatisation of the economy.

· Labour code and minimum wage are still some demands remaining as contentious issues to be addressed.

· Hind Mazdoor Sabha was formed in 1948

· Bharatiya Mazdoor Sangh was founded in 1955

· Although the four decades post independence has witnessed some prominent labour union protests, post liberalization has somewhat seemingly affected its acceptance among the common public.

· Further increase in unorganised sectors of the Economy due to various reasons has led to increase in the membership base of the unions.
Some challenges faced by the Trade Unions in the Post Independence era

- Limited Financial Resources due to the membership fee being very low. It limits their ability to mobilize financial resources.

- With concentration in large cities, dominated by organised sectors, rural agricultural labour is left out and not adequately given space.

- Although the unions have registered growth in membership, large numbers of labours are not part of the groups, thereby weakening their collective bargain potential.

- Dwindling support base among public post liberalization,

- Weak organisational structure and lack of clarity to deal with different labour groups.

- Political ambitions and priorities of the leadership have trumped the concerns and interests of the labourers, further weakening the bargaining power.

- Weakening of bargaining power due to similar fractions and easy influence by groups with a counter narrative, driving a wedge among labour unions unity.

- Lack of unity among labour unions, and resultant competitions for better share, which further puts them in disadvantage to put forth their demands.

- Question of recognition of the unions, where a favourable group may be given a priority sidelining the genuine or major groups.

The Importance of Labour Unions post Liberalization

- Their existence is essential to safeguard the collective interest of the labourers drawing a fine balance with the investor’s interests.

- Role in ensuring adoption of ethical business practices.

- Garnering and mobilising support for the interests of the labour class.

- Strengthening the collective bargain capacity of the labour class.
Recent reforms to bring Labour Code- Contentions

Labour is a subject in the Concurrent List of the Constitution of India. The government in the recent past has envisaged bringing in new labour codes unifying various bills, provisions, broadly categorized into four different areas, dealing with Occupational Safety, Health and Working Conditions, Social security, Industrial Relations, Wages,. These four labour codes will rationalise 44 central labour laws.

Code on Occupational Safety, Health and Working Conditions


- In this Code, the security of interests of workers engaged in factories, mines, plantations, motor transport sector, beedi and cigar workers, contract and migrant workers has been ensured.

- This certainly expected to enhance the industrial safety aspects of the country.

- Various provisions in the code are expected to ease the lives of the Inter-State Migrant Workers by addressing anomalies of the Inter-State Migrant Workers Act, 1979

- Under the new provisions labourers can now register themselves as Inter-State Migrant Workers on the national portal, whereas earlier, only contractor appointed ones were allowed to do so.

- Provides the worker a legal identity, enabling them to get benefits of all social security schemes.

- Providing appointment letters to the workers is mandatory.

- Mandatory, free annual health check-up of the workers provided by the employers.

- For a worker engaged in building and other construction work in one State and moving to another State, benefits from the Building and other Construction Workers’ Cess funds are to be provided.

- Under the “One Nation - One Ration Card”, an Inter-State Migrant Worker would get ration facility in the State he is working in, while remaining members of his family would be able to avail of the ration facility in the State of their residence.

- Provision of mandatory helpline facility in every State for resolution of Inter-State Migrant Workers’ grievances.

- National database to be created for the Inter-State Migrant Workers

- Instead of 240 days, a worker having worked 180 days is entitled for one-day leave for every 20 days of work done.

- Right to women workers to work in all types of establishments
Women were granted the right to work at night with their consent, further ensuring that the employer would make adequate arrangements to provide safety and facilities to women workers at night.

- The Maternity Benefit Act was amended to increase the paid Maternity leave for women workers from 12 to 26 weeks.
- Ensure mandatory crèche facility in all establishments having 50 or more workers

**Code on social security**

- Seeks to amalgamate laws such as the Maternity Benefits Act, Employees’ State Insurance Corporation Act, Employees’ Provident Fund and Miscellaneous Provisions Act, Building and Other Construction Workers Act and the Employees’ Compensation Act.
- It looks to secure the rights of workers for insurance, pension, gratuity, maternity benefit etc.
- Seeks to evolve a comprehensive legal framework for Social Security so that workers can receive social security completely.
- Under this, in a stepwise manner, a system is to be institutionalized for the contributions received from employer and worker.
- The Government can fund the contribution of workers from disadvantaged sections.

**Code on Industrial Relations**

- Seeks to abolish deadlocks, by promoting labour welfare.
- Looks to give fillip to investment, facilitating the environment for such activities.
- Seeks to empower the labour unions to protect labour interests.

**Code on wages**

- Unifies the Payment of Wages Act, Equal Remuneration Act, Payment of Bonus Act, Minimum Wages Act.
- Evolving Minimum wage for the laborers.
- Provision to account for the regional diversities
Conclusion

The history of trade unionism has undergone change catering to the needs and necessities of their time, and challenges the labour force faced. The participation of trade unions in the process of development of our nation, especially industry and social sector of the inhabiting states are well recognised. An environment giving space to the valid concerns and demands of the unions, simultaneously protecting the investors interest, and facilitating the ease of doing business parameters are hallmarks of our thriving economy, set on democratic principles. A strong and robust, active trade union is an antidote to rising disparity of incomes, labour standards and securing interests of the labourers, and promoting adoption of ethical business practices.

There is no denial of the fact that reforms to various labour laws were long overdue. However, the need to strike a balance between reform for labour welfare and interests of the investors for faster growth can’t be overlooked. The labour laws for their Far-reaching effects, require greater deliberation among all the stakeholders for further policy directions. This will propel India to a world class manufacturing-led growth trajectory, making India truly ‘Atmanirbhar’ and making the make in India program great again.