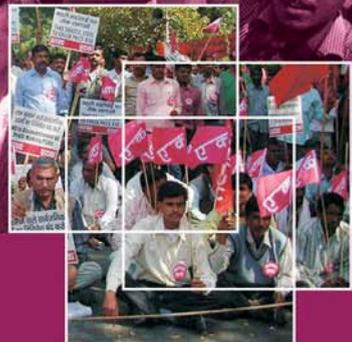


# The growth and decline of political unionism in India

## The need for a paradigm shift



Pong-Sul Ahn



# The growth and decline of political unionism in India: The need for a paradigm shift

Pong-Sul Ahn

ILO DWT for East and South-East Asia and the Pacific  
2010

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# Preface

This paper presents an analysis of the trends in political unionism in India. It proposes a paradigm shift to a tradition of services-based trade unionism, which would be more suitable for adopting new employment relationships and developing industrial relations.

Political unionism in India evolved during the process of the struggle for independence, state construction and industrial development. It grew into a mechanism that, for a time, defended workers' rights from suppression, while influencing society and politics – even proving instrumental in achieving the political ambitions of union leaders.

However, in today's working environments, a trade union aligned with a political party does not best serve the interests of union members and workers, not only in India but elsewhere in the world. As the popularity of the political party in the Government goes down, the popularity of the trade union also goes down. Furthermore, this linkage with the political party can drive away potential union members who may not share the political agenda of the party.

Too many unions with too little unity, political dependency, low unionization rates, non-representation of massive informal workers, non-compliance of labour rights, weakened bargaining power and insufficient investment for training and education define India's contemporary labour movement. Hence, service-based unionism would be a more optimal recourse to regain collective bargaining power and offer a more useful vision to workers and society.

I expect this valuable publication will be widely used by tripartite partners – unionists, employers and government officials – as well as academics and students who have a keen interest in industrial relations.

## The growth and decline of political unionism in India

I hope it will also serve as a catalyst to accelerate discussions on the design of a new paradigm of trade unionism at the national, regional and global levels. I am very thankful to Pong-Sul Ahn, Senior Specialist on Workers' Activities in the ILO DWT for East and South-East Asia and the Pacific, Bangkok, for taking the initiative to conduct this crucial study and publish its findings.

**Dan Cunniah**

Director

Bureau for Workers' Activities

ILO, Geneva

# Foreword

With the passage of time and in the context of the world's shifting political and economical scenarios, the characteristics and features of the Indian trade union movement have changed significantly. The present day trade unionism is not merely based on bargaining power with its employers – public or private – but also responsible for other domains of life, such as the welfare of both the working class and society as a whole. From the very beginning, the Indian trade union movement attached itself to a political ideological framework and consequently attached to political parties.

This report, *The growth and decline of political unionism in India: The need for a paradigm shift*, is an encouraging and worthwhile study for contemporary union activities and the future dimension of the trade union movement in India. Pong-Sul Ahn has brilliantly taken up many of the issues related to political unionism in India, particularly in the context of changing employment relationships in the prevailing industrial environment. The study should inspire trade union activists and academic researchers to further explore the subject.

**Dr G. Sanjeeva Reddy**

Member of Parliament (*Rajya Sabha*)

President, Indian National Trade Union Congress



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Finally, the views and facts expressed and analyzed in this publication are not necessarily those of the ILO and thus, as the author, I am solely responsible for any faults to be found.

# Acronyms

ADMK	Anna Dravida Munnetra Kazhagam
AIAWU	All India Agricultural Workers Union
AICCTU	All India Central Council of Trade Unions
AICCW	All India Coordination Committee of Working Women
AIFAWH	All India Federation of Anganwadi Workers and Helpers
AIFB	All India Forward Bloc
AIKS	All India Kisan Sabha
AIMO	All India Manufacturers' Organization
AIOE	All India Organisation of Employers
AISGEF	All India State Government Employees' Federation
AITUC	All India Trade Union Congress
AIUSWCC	All India Unorganised Sector Workers' Coordination Committee
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ATP	Anna Thozhirsanga Peravai (Anna Workers Federation, ATP)
BJP	Bharatiya Janata Party
BKF	Bahujan Kamgar Federation
BKMU	Bharatiya Khet Mazdoor Union
BKS	Bharatiya Kamgar Sangh
BKSM	Bharatiya Kamgar Sena Masangar
BMS	Bharatiya Mazdoor Sangh
BTLU	Bombay Textile Labour Union
BWI	Building and Woodworkers International
CIE	Council of Indian Employers
CITU	Centre of Indian Trade Unions
CPI	Communist Party of India
CPI (M)	Communist Party of India (Marxist)
CPSTU	Committee of Public Sector Trade Unions

## The growth and decline of political unionism in India

CTUO	Central Trade Union Organization
DWT	Decent Work Technical Support Team
EFI	Employers' Federation of India
ESMA	Essential Service Maintenance Act
FICCI	Federation of Indian Chambers of Commerce and Industry
GKU	Girni Kamgar Union
HMKP	Hind Mazdoor Kisan Panchayat
HMS	Hind Mazdoor Sabha
ILO	International Labour Organization
INTUC	Indian National Trade Union Congress
ITUC	International Trade Union Confederation
LPF	Labour Progressive Front
MLF	Marumalarchi (Revolutionary) Labour Front
NFITU-Kol	National Front of Indian Trade Unions-Kolkata
NGO	Non-government organization
NTUF	National Trade Union Federation
OECD	Organisation for Economic Co-operation and Development
RMG	ready-made garment
RSP	Revolutionary Socialist Party
RSS	Rashtriya Swayamsevak Sangh
RTUC	Red Trade Union Congress
SCOPE	Standing Conference of Public Enterprises
SCTU	Sponsoring Committee of Trade Unions
SEWA	Self-Employed Women's Association
SUCI	Socialist Unity Centre of India
TBGKS	Telangana Boggu Ghani Karmika Sangham
TUCC	Trade Union Coordination Centre
TUCC	Trade Union Coordination Committee
UTUC	United Trade Union Congress
UTUC (LS)	United Trade Union Congress (Lenin Sarani), renamed as All India United Trade Union Centre (AIUTUC)
UPA	United Progressive Alliance
WCREU	West Central Railway Employees Union
WREU	Western Railway Employees Union

# Introduction

# 1

## 1.1 Political unionism in the Indian context

Generally, a trade union is not only a workers' organization engaging in collective bargaining to promote the economic interests of its members, but it is also a political institution for instigating socio-political changes that brings about social justice and decent work for working people. The labour movement has associated with various models of crafts, communities, economic services, membership and even political orientation.

“Political unionism” is used to define the characteristics of a labour movement heavily imbued with ideology-based political activities, which can include a struggle for national independence, grass-roots mobilization for or against government policies, involvement in party politics and the launching of election campaigns. Political trade unions were first established in the 1830s in Great Britain as a means to campaign for factory legislation that would regulate working conditions and ultimately reform parliament, in order to increase the participation of the working class. The political activities of trade unions have played an effective role in the process of political independence and in the early industrialization process, especially in new nation-states that have broken free of colonial regimes.<sup>1</sup>

However, political unionism is not an optimal instrument to respond to the multiple interests of union members and gain popularity from the masses in an advanced economy and mature society. It is sometimes seen as a threat to the national economic development as well as a privilege for a minor elite group of the working class. A conventional mass production system that wrought mass employment heralded the beginnings of industrial relations in India, which, over time, have transformed under the influence of the supply chain of the global production system. The globalized economy with its new

and advanced technologies, stronger role of multinational corporations and neo-liberal markets has accelerated much of the change.

While Indian trade unions have evolved in tandem with the country's industrialization stages, they have equally evolved in relation with the dramatically changing political regimes, leaving them heavily politicized.<sup>2</sup> Many factors have contributed to the development of the political nature of Indian trade unions: i) national political leaders inspired the birth of the All India Trade Union Congress (AITUC) and many served as its leaders; ii) trade unions aligned with political parties supported the fight for the country's independence from British colonial rule; iii) government suppression to curb the communist-led militant labour movement from 1920 to 1950; iv) the State being the largest employer in the public sector became a negotiating actor in collective bargaining processes (that role plus unions' political affiliations often turned collective bargaining into a political agenda); and v) the Trade Unions Act permits trade unions to appoint outsiders as office bearers, thus many of the appointees are politicians and retired bureaucrats whose role is to resolve labour issues through political resources.

Thus, Indian trade unions have been shaped to defend union rights, maximize influence on society and politics and to help union leaders pursue their political ambitions. The political dependency of trade unions traces back to British colonization. The dependency continued after independence in 1947, although trade unions remained for a long while a central and dominant force in India, generally capable of securing benefits for members and often embarrassing the political party in power.<sup>3</sup> In fact, the relatively small portion of the organized labour force in India has been characterized as economically elitist and politically conservative and less representative.<sup>4</sup> Union influence on labour policies at any given time was, and remains, largely dependent upon labour's relationship with the government in power.

## 1.2 Objectives of the study

The study presented in this publication focused on: i) scrutinizing the evolution of political unionism in India; ii) analyzing the strengths and weaknesses of that political unionism; and iii) making a case for a paradigm shift towards service-based unionism, which can better accommodate changing industrial relations and more effective in tackling workplace-related issues along with emerging social issues. To analyze the characteristics of India's political unionism, this study used various dimensions, such as union politicizing, unionization rates, labour disputes, financial status and self-sufficiency, freedom of association, collective bargaining, social dialogue mechanisms, and union unity and solidarity as the analytical framework.

### 1.3 Research methodology

The research entailed a literature review of union publications, statistical reports and academic articles; a survey of the trade union-political party relationships; and interviews with experienced union leaders. The analysis is supported with insightful statistics produced by various institutions and studies, which help explain the spectrum of the Indian labour movement. Some of the data related to industrial disputes and registered unions cover almost five decades of union activity, providing a long view of trends and further supporting the need for change in the labour movement.

### 1.4 The composition of the report

The report consists of eleven sections including this introduction (section 1) and the conclusion (section 11). Section 2 describes the growth of trade unions as a social institution in the changing politico-economic scenarios in five periodical stages: i) pre-independence; ii) 1947-66; iii) 1967-79; iv) 1980-91; and v) 1992-2009. Section 3 looks at union politicization, the relationships with political parties at different levels and the level of political influence of unions. Section 4 discusses the union membership rates as a measure of the voice and representation of workers. Section 5 analyzes union unity and solidarity and the degree of networking with trade unions and civil society organizations achieved. Section 6 looks into labour disputes, such as strikes and lockouts, as a measure of the level of workers' class consciousness and militancy. Section 7 presents data on the financial status of registered trade unions to describe their financial self-reliability. Section 8 covers compliance with freedom of association and the scope of application and implementation of labour laws. Section 9 looks into collective bargaining experiences at different levels as a means to understanding the level of union bargaining power. Section 10 involves bipartite and tripartite social dialogue mechanisms at different stages to explain the relationships with employers and the central and local governments as well as the capacity of the unions to influence labour and industrial policies.



# Trade unions in the politico-economic development

## 2

### 2.1 The first stage of union inception, before independence

Long before India's independence, workers' welfare associations – the precursor to trade unions – were established in the cotton, jute, textile and railway industries, which were then economically viable and geographically concentrated in Bombay (now Mumbai), Madras (now Chennai), Ahmedabad and Calcutta (now Kolkata). These were the Bombay Millhands Association (started in 1890), the Servants of India Society (1905), the Amalgamated Society of Railway Servants (1907), the Kamgar Hitwardhak Sabha (1909) and the Social Service League (1910).<sup>5</sup>

The population census of 1911 indicates that around 800,000 workers were engaged in secondary and tertiary sectors.<sup>6</sup> Of them, 524,000 were employed in factories and plantations. The workforce in the jute and tea plantation industries shared around 400,000 workers. The number of industrial workers increased from 951,000 covered under the Factories Act in 1914 to 2.6 million in 1921 who were employed at establishments with more than ten workers.<sup>7</sup>

As the population of wage workers increased, so too did the working class consciousness. Living costs rose rapidly during World War I, and the workforce became increasingly restless.<sup>8</sup> In December 1917, the workers of Ahmedabad Mills organized themselves to demand better welfare and to celebrate May Day.<sup>9</sup> The growing unrest led to mill workers' massive action in Bombay. In the first half of 1920 in Bombay, some 200 strikes involving a total of 1.5 million mill workers took place, urging a ten-hour working day and dearness allowance (the Indian term for a salary allocation against

cost-of-living increases). During the period of 1919-20, similar labour agitations flared up in other parts of the country, breeding numerous new trade unions. The Ahmedabad Textile Labour Association, which was led by Mahatma Gandhi (then known as Mohandas Gandhi), was formed in 1920.<sup>10</sup> The agitations stimulated the creation of numerous other trade unions and eventually an organizing of the unions into federations. The All India Trade Union Congress (AITUC), for example, formed in 1920 in Bombay with 101 delegates representing 140,000 members from 64 affiliated unions and 43 friendly social and political organizations.<sup>11</sup> Provoked by the mushrooming of union organizing, the British-Indian Government enacted the Trade Unions Act in 1926 to regulate the registration, maintenance and activities of trade unions.

The Bombay Textile Labour Union (BTLU) is generally viewed as the effectively functioning trade union, with a reported membership of 9,800 in March 1927, which accounted for slightly more than 6 per cent of the mill workers in Bombay.<sup>12</sup> In that same year, the communists appeared on the political landscape in Bombay, seeking a mass to support their activities. The mill workers, making up more than half the city's workforce, were the obvious source of such support. The communists created the Girni Kamgar Union (GKU) and urged a general strike in April 1928. However, the leaders of the BTLU opposed the strike – and paid for it: between September and December 1928, the BTLU membership fell to 6,749, while that of the GKU rose to 54,000.<sup>13</sup>

Overall, trade union membership continued to grow. The AITUC affiliates increased to 515 unions and a membership of 509,084 in 1944.<sup>14</sup> Union strike activity also continued, although with some infrequency, until the 1940s. The number and the duration of strikes increased, from 359 cases with 291,054 workers involved and 3,330,503 work days lost in 1941 to 848 cases with 782,192 workers involved and 4,054,499 work days lost in 1945.<sup>15</sup>

## 2.2 The second stage of trade unionism, 1947-66

The Government's new industrialization policy (1947-66) focused on import substitution and led to the growth of public enterprises and an increase of employment in the public sector. The expansion of employment-intensive public enterprises resulted in the rapid growth of trade unionism within them. The central Government at that time, as an employer and regulator of the public sector, exerted a major role in determining wages and working conditions. Because trade union structures were highly centralized, collective bargaining exercises were bound to be highly politicized.

## 2. Trade unions in the politico-economic development

A series of labour movement splits occurred during this industrializing period. Nationalist politicians and union leaders wanting to promote the civil and political interests of the working class as well as the nation's best interests formed the Indian National Trade Union Congress (INTUC) in New Delhi in May 1947.<sup>16</sup> Division within the labour movement continued with the creation of Hind Mazdoor Sabha (HMS) in 1948, which was oriented towards a socialist ideology; the United Trade Union Congress (UTUC), which set up in 1949 with an ideology based on the principles of Maoist communism; the Bharatiya Mazdoor Sangh (BMS) in 1955, which was based on a conservative nationalism; and then the United Trade Union Congress-Lenin Sarani (UTUC-LS) in 1951, which followed Soviet-led communist ideals.

Soon after independence, various laws were introduced to regulate working and employment conditions and to systemize industrial relations. They included the Industrial Employment (Standing Orders) Act (1946), the Industrial Disputes Act (1947), the Indian Factories Act (1948), the Minimum Wages Act (1948), the Plantation Labour Act (1951), the Employees' Provident Fund and Miscellaneous Provisions Act (1952), the Companies Act (1956) and the Maternity Benefit Act (1961).

The industrialization policy, which continued to emphasize import substitution, was designed to protect domestic industries from foreign competition and to promote self-reliance.<sup>17</sup> Such a policy resulted in the development of industrial clusters in different geographical locations: The cotton textile industry in Bombay and Ahmedabad, chemical and pharmaceutical industries in Bombay, the jute industry in Calcutta and tea plantations in West Bengal. As the clusters developed, larger trade unions were established because workers could easily associate themselves in these industrial zones.<sup>18</sup> Because employment was heavily created in public enterprises, the State also played a dominant role in industrial relations. Workers in smaller enterprises elsewhere tended to join independent and unaffiliated central unions. The trade union organizations became big enough and wielded enough influence at this point to pressure on the Government to nationalize banks, mines, oil companies and so on. The number of registered trade unions increased from 4,623 in 1951 to 14,686 in 1966.<sup>19</sup>

### 2.3 The third stage of trade unionism, 1967-79

Industrial stagnation set in from 1967 to 1979 and was made more acute by oil price shocks in 1973 and 1978, which subsequently triggered inflation. A railwaymen's strike in May 1974 provoked Prime Minister Indira Gandhi to issue a State of Emergency in 1975. The All India Railwaymen's Federation went on a 21-day strike demanding fixed wages and an annual bonus

entitlement. The strike, which was supported by 1.2 million railwaymen, resulted in 19,000 persons arrested, 9,000 workers suspended and 46,000 workers dismissed. The authoritarian forces ruthlessly muzzled the voice of the working class and tightened control on industrial relations.<sup>20</sup>

The national emergency lasted from 1975 to 1977; during that time, the right to strike was suspended and union activities were restricted.<sup>21</sup> In an attempt to undermine the pressure of dissent from the ground, as embodied in the centralized collective bargaining practices of that era, the Government moved to decentralize the process. The Industrial Disputes Act was amended to decentralize collective bargaining practices on the one hand and to secure job protection for workers and allow workers to participate in management on the other – thus possibly pre-empting the need for management to negotiate with trade unions. Labour militancy became a common phenomenon, particularly with the extremely high labour upsurge. During the 1967-79 period, there were 2,436 strikes on average per year, involving an annual average of 1.87 million workers and 12.39 million lost work days (see annex 1). The situation was further compounded by a severe drought in 1979. The number of registered trade unions more than doubled, from 15,314 in 1967 to 34,430 in 1979.

## 2.4 The fourth stage of trade unionism, 1980-91

The economy suffered from severe internal and external aggravations, resulting in an industrial recession from 1980 through 1981 and eventually leading to a balance of payment crisis. From the mid 1980s, the Government imposed an economic liberalization policy that offered export incentives and promoted domestic market competitiveness. A policy followed with a prescriptive for market deregulation, financial liberalization, a controlled exchange rate and taxation, with the aim of restructuring the industrial landscape. The labour market was made more flexible, making it easier for companies to subcontract and outsource their production of consumer non-durables to the unorganized sector. Such a flexible labour market brought an adverse impact on trade union activities and reshaped the industrial relations system.<sup>22</sup>

Trade unions operating in the major industries proliferated, affiliating with different political parties and thus competing with each other. As a consequence of economic downturn and political suppression, the registered unions sharply declined from 34,430 in 1979 to 15,042 in 1981. Then, the number of registered trade unions drastically increased, more than tripling from 15,042 in 1981 to 53,535 in 1991. Membership increased by 704,000 persons (from 5,397,000 persons in 6,682 unions in 1981 to

6,101,000 persons in 8,418 unions in 1991).<sup>23</sup> Nine federations were recognized as central trade union organizations (CTUOs), a consultative status required for participation in tripartite and international forums. The total verified membership in 1989 was 13.22 million persons.

### 2.5 The fifth stage of trade unionism, 1992-2009

After borrowing a massive bailout loan of US\$1.8 billion from the International Monetary Fund (IMF), the economy became more open, liberalized and privatized than ever before. Economic reform by way of restructuring the public sector was accomplished through the National Renewal Fund as part of the New Industrial Policy (1991), which called for voluntary retirement schemes, technological advancement and government disinvestment. The new policy of structural adjustment had an adverse impact on employment in the formal economy,<sup>24</sup> reducing it from some 10 per cent in the early 1990s to approximately 7 per cent in 2009.

The number of trade unions increased, but they became more divided at both the national and state levels. The number of CTUOs increased to 12 as of 2008. During the Bharatiya Janata Party (BJP) regime, Bharatiya Mazdoor Sangh (BMS) and its affiliates grew considerably to a verified membership of 6.2 million, which made it the largest CTUO. However, public discontent with the BJP-led National Democratic Alliance's nationalistic policy of "incredible India" (or "shining India") led to a shift in support to the Indian National Congress (INC) in the general elections of 2004. The election results created a fractured polity that required the formation of a coalition government – the United Progressive Alliance (UPA). With that shift, the INTUC, the second-largest CTUO, wielded more political influence because it was aligned with the INC.

Despite the resulting decade-long high economic growth from the structural adjustments, the majority of the workforce, accounting for nearly 93 per cent of the informal economy, did not share in the fruits of that growth. The report of the 'Second National Commission on Labour' defines establishments, employing less than 10 workers as the 'unorganized' or 'informal' sector.<sup>25</sup> Wanting to achieve a new vision of inclusive growth and faster reduction in poverty, the UPA-led Government enacted two pieces of legislation – the National Rural Employment Guarantee Act (NREGA) in 2005, which initially assured 100 days of employment to every rural household in the country, and the Unorganized Workers' Social Security Bill in 2008.<sup>26</sup> As the social disparities and inequalities intensified due to rising oil prices (from some US\$70 per barrel in July 2008 to a record of US\$147.27 a barrel in July 2009) and high inflation, the CTUOs frequently launched joint campaigns

### The growth and decline of political unionism in India

to push for the enforcement of labour rights. The impacts were largely symbolic, with workers' voice and their discontent registering loud and clear. The number of registered trade unions grew from 55,680 in 1992 to 68,544 in 2002.

# Unionization rates

# 3

## 3.1 Membership verification criteria

Membership tallies are a prime measurement of union power and an indicator of workers' interest in collective activity – but only if those numbers are authenticated. The Indian Government also requires that any federation wanting to participate in national and international forums follow a membership verification process and has to be officially recognized as a central trade union organization (CTUO). The Standing Labour Committee, which consists of representatives of tripartite partners and is under the chairmanship of the chief labour commissioner (CLC), oversees the process. To acquire the CTUO status, a federation must have a verified membership of more than 500,000 workers spread over at least four states and four industries (inclusive of agriculture).<sup>27</sup> The process is conducted without a specific timeframe set by the Committee, but it is suggested by the CLC that the verification exercise be concluded at the earliest. By law, the verification has to be undertaken once every four years, but it does not happen. Each existing federation must repeat the process to renew its status when a new membership verification process is announced.

In 1980, ten federations applied for the CTUO status; in their application, they claimed a membership totalling 11.48 million (table 1). After the 1980 verification process, the INTUC became the largest national federation, with a membership of 2.23 million workers affiliated to 1,604 unions. However, less than half (6.12 million) of the total claimed membership was verified as actual members. Of the total 10,776 local unions claimed by the ten federations, 6,543 unions were verified as active. Clearly, the process indicated that the claimed membership was exaggerated.

**Table 1. Verified membership of central trade union organizations (CTUOs), as of 31 Dec. 1980**

Name of CTUO	Claimed		Verified	
	No. of unions	Membership	No. of unions	Membership
BMS	1 725	1 879 728	1 333	1 211 345
INTUC	3 457	3 509 326	1 604	2 236 128
HMS	1 122	1 848 147	426	762 882
UTUC (LS)	154	1 238 891	134	621 359
NLO	249	405 189	172	246 540
UTUC	618	608 052	175	165 614
TUCC	182	272 229	65	123 048
NFITU	166	527 375	80	84 123
AITUC	1 366	164 330	1 080	344 746
CITU	1 737	1 033 432	1 474	331 031
<b>Total</b>	<b>10 776</b>	<b>11 486 699</b>	<b>6 543</b>	<b>6 126 816</b>

Source: BMS: *Vishwakarma Sanket* (World labour indicators), (New Delhi, BMS, 2008), Apr., p. 34.

The Government conducted another verification process in 2003 to check the records as of December 2002.<sup>28</sup> The 13 federations that applied then for the CTUO status claimed a total membership of more than 41.18 million workers. But the verified membership (announced in 2008 because the verifying process took five years) was only 24.88 million – accounting for only 60.4 per cent of the originally claimed members (table 2). Even so, the verified membership had nearly doubled since 1989, when 13.22 million workers were affiliated to nine CTUOs.

The 2002 verification process gave the CTUO status to 12 of the 13 applying federations. It finally granted the CTUO status to the Self-Employed Women's Association (SEWA), based in Ahmadabad, the All India Central Council of Trade Unions (AICCTU) and the Labour Progressive Front (LPF), based in Chennai. The National Front of Indian Trade Unions-Kolkata (NFITU-Kol) was denied its previous status due to its steep decline of members, from 530,000 in 1989 to 33,630 in 2002 (table 2). However, the NFITU-Kol argued that the verified membership figure did not reflect its actual numbers and claimed political influence had interfered in the verifying process to discredit them.<sup>29</sup>

The result of the membership verification proves that the unionization rate has grown as fast as the employment growth rate. The unionization rate came to 2.5 per cent (of 241.5 million employed) in 1980, 4.3 per cent (of 303.7 million employed) in 1989, and 6.3 per cent (of 392 million

Table 2. Verified members of CTUOs in 1989 and 2002

Name of CTUOs (acronym)	Claimed members in 2002	Verified membership		No of informal workers in the verified members		% of informal workers in 2002
		As of 31 Dec. 2002	As of 31 Dec. 1989	2002	1989	
BMS	8 318 348	6 215 797	3 116 564	1 336 317	347 768	21.4
INTUC	7 868 192	3 954 012	2 692 388	944 806	119 073	23.9
AITUC	4 612 457	3 442 239	938 486	1 470 332	17 542	42.7
HMS	5 350 441	3 338 491	1 480 963	655 544	158 668	19.6
CITU	3 431 518	2 678 473	1 775 220	110 969	30 049	4.14
UTUC (LS)	1 603 287	1 373 268	1 343 256	745 674	369 390	54.3
TUCC	725 522	732 760	230 139	549 207	199 347	75.0
SEWA	689 551	688 140	n.a	304 194	n.a	44.2
AICCTU	673 073	639 962	n.a	504 939	n.a	78.9
LPF	738 164	611 506	n.a	297 087	n.a	48.6
UTUC	781 176	606 935	584 523	332 089	310 298	54.7
NFITU-DHN	4 248 000	569 599	529 762	389 261	n.a	68.3
NFITU-KOL	2 142 217	33 620	530 000	4 667	n.a	13.8
<b>Total</b>	<b>41 181 946</b>	<b>24 884 802</b>	<b>13 221 301</b>	<b>7 645 086</b>	<b>1 552 135</b>	<b>42.27</b>

Source: Govt. of India: *Order of verification of membership of trade unions affiliated to CTUOs, as of 31 Dec. 2002* (New Delhi, MoLE, 2008), pp. 1-8.; S. Dev Roye: "Verification of T.U membership – A factual analysis", in *The Working Class* (New Delhi, CITU, 2008), Vol. 38, No. 7, p. 10.

employed) in 2002. The upsurge of union membership in the informal economy was attributed to the rise of the unionization rate in 1989 and 2002.

As shown in table 3 (and annex 3), union membership in 2002 was spread across 50 industries. The informal economy entailed employment in the industrial categories of construction, brick kilns, personal services, local authority bodies, food and beverage selling, self-employment and agriculture (with the largest representation of informal workers in unions). The unionists active in these industries totalled around 10.38 million, representing 41.7 per cent of the total verified 24.88 million members.

Union membership among workers in the agriculture sector for 2002 was verified at 30.7 per cent of all membership and at 42.27 per cent for workers in the informal economy. The verifying process revealed a range of proportions of informal economy workers as members, from 4 to 78 per cent of total federation membership. The unionization rates in the informal economy have been particularly increasing, but this new trend is not so influential to redefine either the relationship between membership from the formal and the informal economies or the nature of current trade unionism in

**Table 3. Verified union members in the informal economy, 2002**

Sector	Membership	% of total membership
Agriculture	7 645 086	30.7
Building & construction	1 070 278	4.3
Brick kiln	457 718	1.8
Personal services	446 748	1.8
Local authority bodies	299 635	1.2
Food & beverage selling	299 590	1.2
Self-employment	170 542	0.7
Subtotal	10 389 597	41.7
Total membership of all CTUOs	24 884 802	100

Source: R. Datt: "Regional and industrial spread of trade unions in India", in *The Indian Journal of Labour Economics* (New Delhi, ISLE, 2008), Vol. 51, No. 4, p. 995.

India. There is no accurate data as to how many unions in the informal economy are under the collective bargaining coverage.

The largest federation, BMS, acknowledged a heavy focus on organizing workers in the informal economy, along with its work on dialogue options, negotiations and policy presentation.<sup>30</sup> At 110,969 members verified in the informal sectors, the Centre of Indian Trade Unions (CITU) had a much smaller proportion than the other federations. CITU officials noted that it was actually affiliated with two "friendly" farmers' organizations – the All India Kisan Sabha (All India Peasants' Assembly), with a membership of about 17 million small land-holding farmers, and the All India Agricultural Workers' Union, with 4 million workers – but their membership was not included in the verification count. Under a platform of the Communist Party of India (Marxist, CPI (M)) that the CITU had aligned with, the farmers' associations were separated from labour activities due to the differences in issues; thus the farmers were not treated as regular members of the labour organization.<sup>31</sup>

If the verified membership was accurate, union density in India in 2002 was as low as 6.3 per cent; but within the formal economy, it ran to a rather high 53.2 per cent of the 27.2 million wage workers. Women's representation among the verified membership was around 19 per cent of the total membership.

The dramatic increase of informal economy workers as union members prompted union leaders to quickly question the credibility of the verifying process. They argued the verification method was weak, because it included informal economy workers, in particular the 7.64 million members from the agriculture sector, in which work is migratory, seasonal and mobile, making

the actual verification difficult. They believed that because of the difficulty in identifying those workers, some unions inaccurately claimed more membership of workers from that sector. In addition, the CITU argued the process falsely verifies members in the coal, railway and agricultural unions.

According to the membership verification processes of 1980, 1989 and 2002, some union membership claims were enormously inflated. However, the lengthy verifying process (four years for the 1980 data and five years for the 1989 and 2002 data) enabled political interference to possibly alter the results as many union officials have claimed. Numerous cases of political manipulation by government officers recording a worker's union affiliation were found in the membership verification processes of 1980 and 1989. Thus, the current verifying method potentially produces inaccurate results.

To resolve the credibility issue of the membership verification, the union leaders asked for a new method. The BMS proposed that a federation should have members in at least ten states and from at least ten industries and the verifying process should include a stronger mechanism to vouch for members from the informal economy. The AITUC, the United Trade Union Congress (UTUC), the UTUC-Lenin Sarani (LS), the CITU and the Trade Union Coordination Centre (TUCC) have long advocated a secret ballot for union affiliation because the membership verification was done on the basis of spot checking. Since 1990, the INTUC has supported the idea of a secret ballot for union affiliation in every industry and every establishment and the introduction of a check-off system of membership dues, which would verify paid members immediately.<sup>32</sup>

The accumulated membership of the top five CTUOs, i.e. BMS, INTUC, AITUC, HMS and CITU, was 19.62 million in 2002, accounting for 78.8 per cent of the total verified membership. Annex 4 details the union membership in 50 industrial categories verified. Table 4 presents a breakdown of the two largest groupings of members by industry in five major CTUOs; "first rank" means the largest representation and "second rank" means second largest. If a CTUO has many affiliates in the first rank, the CTUO has the largest representation in those industries. Although this industrial distribution is not an absolute indicator to understand the representation and strength of each CTUO, it is useful for understanding the membership basis of each CTUO.

**Table 4. Industry representation in CTUOs, among the two top tiers of membership**

Union	First rank	Second rank
BMS	Textiles, clothing, engineering (ors), engineering (mechanical), engineering (electronics), defence services, electricity, gas and power, quarry, sugar, chemicals, food and beverages, tobacco ( <i>beedi</i> ), paper and paper products, printing and publishing, local bodies, glass and pottery, petroleum, P and T workers, hotels and restaurants, hospitals and dispensaries, financial institutions, wood production, pencil industry, soap and detergent, self-employment	Engineering (electrical), water transport, roadways, mining of minerals, agricultural and rural workers, building and construction, tanners and leather, salaried employees and professional workers, personnel services, rubber products
INTUC	Iron and steel, engineering (electrical), plantation, plantation (tea)	Textiles, jute, engineering (electronics), defence services, electricity gas and power, railway, coal mining, sugar, cement, chemicals, P and T workers, hospitals and dispensaries, financial institutions, soap and detergent
AITUC	Plantation (rubber), mining of minerals, agricultural and rural workers, tanners and leather, brick kiln	Metal, engineering (ors), petroleum, coir, self-employed
HMS	Railway, air transport, coal mining, port and dock workers	Clothing, iron and steel, tobacco ( <i>beedi</i> ), tobacco (ors), printing and publishing
CITU	Jute, metal, water transport, roadways, cement, building and construction, tobacco (ors), salaried employees and professional workers, personnel services, coir, rubber products	Engineering (mechanical), air transport, plantation, plantation (tea), plantation (rubber), quarry, food and drinks, paper and paper products

Source: Data modified from Govt. of India: *Order of verification of membership of trade unions affiliated to CTUOs, as of 31 Dec. 2002* (New Delhi, MoLE, 2008).

## 3.2 Submitting annual returns

The Trade Unions Act requires officially registered unions to maintain records on their activities and paid membership dues. However, many unions fail to do so. Many are further reluctant to submit an annual return (or statement) regarding those records because the information can disclose the actual number of union members and accordingly their organizational strength. Of the 68,544 registered trade unions in 2002, for example, only 7,812 of them (11.4 per cent) submitted an annual return to their respective state Department of Labour.

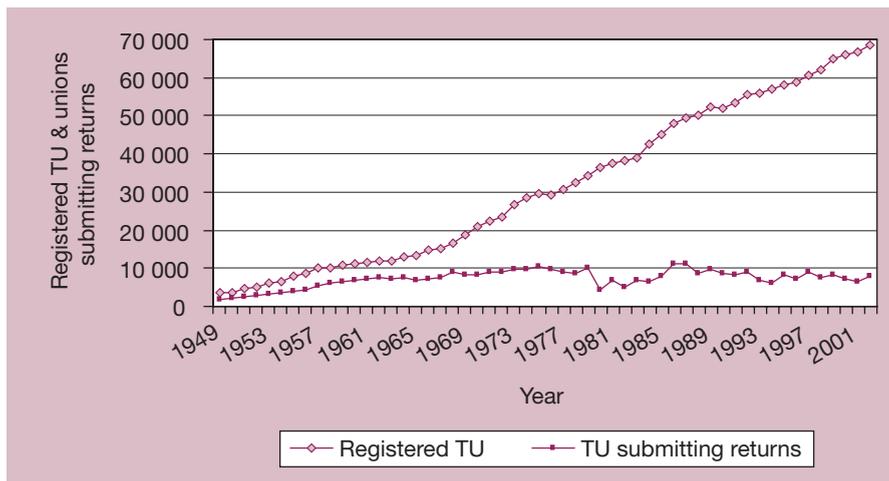
With so few annual returns submitted, it is not easy to determine how many trade unions are genuinely operational at the national, state, industry and enterprise levels and how many workers are actual members. Thus, the current data does not depict the true membership strength. This weakness of the system also makes a measure of the overall strength of trade unions and their actual representation of the workforce extremely difficult.

Annex 2 provides what data is available, showing, over time, the number of registered trade unions, the number of unions submitting annual statements of their membership and the average membership per union. In analyzing that data at face value, there appears to be no peculiar trend in the increase or decrease of the registered unions or their membership. As figure 1 shows, the number of trade unions submitting an annual return did not change much over the period of 1949-2002, rarely rising above 10,000. In that same period, the average membership per union hovered between 600 and 900 persons. However, the available data indicates a tremendous increase decade to decade in the overall number of registered trade unions, from 3,522 in 1949 to 11,312 in 1961 to 22,484 in 1971 to 37,593 in 1981 to 53,535 in 1991 and to 68,544 in 2002.

Interestingly, the number of trade unions submitting an annual return increased in the late 1980s when the country experienced economic recession and political turmoil. The wide gap between the figure of the unions submitting an annual return and the registered unions also makes an analysis of the organizational strength of trade unions rather perplexing.

Over the 1980s, the verified membership increased by 7,094,485 workers from 6,126,816 in 1980 to 13,221,301 in 1989. Over the next 13 years, the gain jumped dramatically, increasing by 11.66 million members between 1989 and 2002. Before 1990, the membership on submitted annual returns also rose. During the severe industrial restructuring period from 1991 to 1993, membership within the trade unions submitting an annual return sharply declined from 7,019,000 workers in 1991 to 3,134,000 workers in 1993. From 1994 to 2002, no peculiar change in union membership seems apparent.

Figure 1. Registered trade unions submitting an annual return, 1949-2002



Source: Created by the author in 2009, on the basis of the data in annex 2.

### 3.3 Trade unions excluded from the membership verification process

The membership verification process covers only CTUOs (and their affiliates), which claim a membership of over 500,000 spreading in at least four states and four industries. The process does not include independent unions that have no affiliation to any national union or industrial federation or at the state level.<sup>33</sup> For instance, the Chennai-based Working Women’s Forum, focusing on the rights of women workers, is proactive in Tamil Nadu state. The activities of the Bharatiya Kamgar Sena Sangh and the Maharashtra General Kamgar Union are mainly rooted in Maharashtra state. The Pravasi League, the Pravasi Sangham, and the Kerala Trade Union Congress are active in Kerala state. The Telugu Nadu Trade Union Council (TNTUC), the Andhra Pradesh Federation of Trade Unions, the Telangana Boggu Ghani Karmika Sangham (TBGKS) and the Bahujan Kamgar Federation (BKF) are active in Andhra Pradesh.

Trade unions, such as the All India State Government Employees’ Federation, the Marumalarchi (Revolution) Labour Front (MLF) in Mumbai and the Anna Thozhirsanga Peravai (Anna Workers Federation, ATP), with members from the ready-made garment industry) in Tirupur, Tamil Nadu state, which represent the interests of particular industrial occupations and are active in certain industrial cities, also are not included in the membership verification process.

Union organizations for domestic workers, garment workers, auto drivers, street vendors, rickshaw pullers, headloaders, etc. are not recognized as collective bargaining units and thus are not included in the verifying process.

If the membership numbers of the uncounted state-based or industry-based unions were substantially included in the verification process, the overall union membership would be substantially higher than what the system currently produces.<sup>34</sup> Thus, the current national membership, which is likely to be exaggerated especially in the agriculture on the one hand, and which exclude the members of many independent and proactive unions at the state, sector or workplace levels on the other, does not generate an accurate picture of the organizational strength of trade unions.



# Trade union-political party relationship

# 4

## 4.1 The political ideologies of central trade unions

The All India Trade Union Congress (AITUC), formed in 1920, was the first national federation and its growth was linked to three ideological factions that shaped the country's political landscape: i) the nationalists, led by Gandhi and Nehru; ii) the communists, led by S.A. Dange and M.N. Roy; and iii) the socialists, led by V.V. Giri and N.M. Joshi.<sup>35</sup>

Political ideology differences have historically provoked union rivalry and separation. The first major division took place in 1929 when the socialists separated from the AITUC and formed the National Trade Union Federation (NTUF). In March 1929, the Government arrested some of the top nationalist leaders of the AITUC who had been involved in the nationwide strike, which enabled the communists to step into the AITUC leadership. A new nucleus of leftist leaders took control, but then split off to form the Red Trade Union Congress (RTUC) in 1931. The RTUC and the NTUF reunited with the AITUC in 1935 and 1940, respectively. It was in this period that political parties consolidated their strengths to intensify the pressure for India's independence, which also galvanized the unity of trade unions.

Table 5 shows which CTUO is pursuing its own political ideology and which is allied with a political party that has the same ideological identity. The birth of new national federations was largely attributed by political division. Although every CTUO claims to have a unique ideology, it is not easy to discern much difference between them.<sup>36</sup> In the late 1930s and early 1940s, splinter groups from the AITUC formed several new federations, such as the Hind Mazdoor Kisan Panchayat (India Workers Peasants Council – HMKP), All India Forward Bloc (party-cum-union, AIFB), which was set up in 1940 by Subhas Chandra Bose and the Indian Federation of Labour (IFL), which was founded in 1941 by M.N. Roy.<sup>37</sup>

**Table 5. Central trade unions' relationships with political parties**

Central union federations	Founding year	Alliance with political parties
All India Trade Union Congress (AITUC)	1920	Communist Party of India (CPI)
Indian National Trade Union Congress (INTUC)	1947	Indian National Congress
Hind Mazdoor Sabha (HMS)	1948	Its zone divisions support various socialist parties
United Trade Union Congress (UTUC)	1949	Revolutionary Socialist Party (RSP)
United Trade Union Congress-Lenin Sarani (UTUC-LS which was renamed to AIUTUC in 2008)	1951	Socialist Unity Centre of India (SUCI)
Bharatiya Mazdoor Sangh (BMS)	1955	Bharatiya Janata Party (BJP)
National Front of Indian Trade Unions-Kolkata (NFITU-Kol)	1967	Not politically affiliated
Trade Union Coordination Centre (TUCC)	1970	All India Forward Bloc (AIFB)
Centre of Indian Trade Unions (CITU)	1970	Communist Party of India (Marxist)
Self-Employed Women's Association (SEWA)	1972	Not politically affiliated
Labour Progressive Front (LPF)	1980	Dravida Munnetra Kazhagam (DMK)
All India Central Council of Trade Unions (AICCTU)	1989	Communist Party of India (Marxist-Leninist) Liberation
National Front of Indian Trade Unions-Dhanbad (NFITU-DHN)	2006	Rashtriya Janata Dal (RJD)

Source: Created by the author, March 2009, in consultation with the CTUOs.

Mahatma Gandhi's principles of justice and non-violence as well as a philosophy of mutual cooperation between employers and employees inspired the birth of the INTUC in 1947.<sup>38</sup> The HMKP and the IFL, both socialistic factions, merged in 1948 and set up the Hind Mazdoor Sabha (HMS). However, the move provoked the revolutionary socialists and non-communist Marxist groups within the HMS to walk out and create the United Trade Union Congress (UTUC) in mid 1949, of which establishment was instigated by the Revolutionary Socialist Party (RSP), based in Kolkata and armed with the ideologies of Marxism and Leninism.

When the Socialist Unity Centre of India (SUCI) in West Bengal, which aligned its ideology to those of Stalin and Mao Zedong, broke away from the RSP in 1951, a group of its allied union leaders formed the UTUC-Dharam Tola, separating from the UTUC. The UTUC-Dharam Tola was first renamed

UTUC-Lenin Sarani in 1969 and then again changed to the All India United Trade Union Centre (AIUTUC) in 2008.<sup>39</sup>

The Bharatiya Mazdoor Sangh (BMS), a confederation affiliated with the Sangh Parivar (Rashtriya Swayamsevak Sangh (RSS)) when it was set up in 1955, has had a friendly relationship with the Bharatiya Janata Party (BJP), which draws its Hindu nationalist creed from the RSS.

The Indo-China war (1962-64) inspired the speedy spread of communism among Indian farmers and villagers who admired Mao Zedong's revolution against feudal society. Since then, different groups have idolized communism and formed communist-based political parties, resulting in the creation of 30-40 political parties throughout the country.<sup>40</sup> The Communist Party of India (CPI) grew rapidly with the support of the communist admirers as well as from people regarded as "low castes". However, in 1964, a faction broke from the CPI to form the CPI (Marxist) and instigated the formation of the Centre of Indian Trade Unions (CITU) in 1970.<sup>41</sup>

The All India Forward Bloc in West Bengal, identified as a modified nationalistic socialist party (different from other countries' socialism), encouraged the creation of the Trade Union Coordination Centre (TUCC) in 1970.<sup>42</sup> The Communist Party of India (Marxist-Leninist) Liberation instigated the All India Central Council of Trade Unions (AICCCTU). The Labour Progressive Front (LPF) is a labour wing of the Dravida Munnetra Kazhagam (DMK) in power of the Tamil Nadu state government.

Of the 12 officially recognized federations surveyed in this study, only a few have not been aligned with any political party. The Self-Employed Women's Association (SEWA), for example, announced a resolution of its non-involvement in party politics in 1972 when it was established, and its Executive Committee has reiterated the same statement every year.<sup>43</sup> The NFITU-Kol also claims it has not aligned with any political party, although the NFITU-Dhanbad has supported the Rashtriya Janata Dal party, led by Lalu Prasad Yadav, who was the former Railways Minister.

Political parties generally have subcommittees to deal with labour issues and to share policies with their affiliated unions. The CTUOs' alignment with political parties generally has been criticized because their agendas are not closely related to the interests of the working class and because union political affiliation and loyalty have typically benefitted only a few senior leaders who are elected to Parliament (Lok Sabha) or the state legislative assembly. Although trade unions have made use of their patron political party to mobilize political influence when industrial disputes emerged, the political dependence syndrome has undermined class consciousness, a sense of union solidarity and unity within the labour movement.

## 4.2 Traditions of politicized trade unions

Over the past five decades, political leaders' involvement in union establishments, the suppression of union leaders, union struggle against colonialism, the role of the state as an employer and third-party intervention in union management have further politicized Indian trade unions, as the following issues highlight:

- **Heavy engagement of political leaders in the inception of the AITUC.** The formation of the AITUC was inspired by the historically prominent Indian National Congress (INC) leaders, such as Lala Lajpat Rai, C.R. Das, C.F. Andrew, Pandit Jawaharlal Nehru, S.A. Dange, and Nethaji Subash Chandra Bose and officially created in the INC Calcutta Special Session of September 1920.<sup>44</sup> In fact, the INC president at that time, Lala Lajpat Rai, became the AITUC's first president. The INC's Gaya Session in 1922 appointed a committee to assist the union's Executive Council in organizing agricultural and industrial workers. Pandit Jawaharlal Nehru also served as the president of the AITUC before becoming India's first prime minister. Other prominent leaders who later became involved in trade unionism included Guljari Lal Nanda, V.V. Giri and N.M. Joshi.
- **Detention and arrest of union leaders because of conspiring communist or socialist activities.**<sup>45</sup> The communist union leaders instigated a total of 1,020 strikes during the period of 1921-24. In 1924, a wave of strikes erupted in Bombay and Cawnpore; government troops were sent to quell the violence, shooting into the striking crowds. In what is known as the Cawnpore Conspiracy, the Indo-British Government arrested the union leaders on charges of conspiring to overthrow the government and spread Bolshevism in India.<sup>46</sup> Marxist and socialist leaders, such as Mazaffar Ahmad, Shaufat Usmani, Range and Nalini Gupta, were sentenced to four years in prison. Another case was when the CPI attempted to reorganize to test the possibilities of an open political party. Before it could fully reassemble or connect with the labour movement, the Government arrested 33 political and union leaders.<sup>47</sup> This pre-emptive move created a vacuum in the leadership of the communist movement. During the period of 1947-51, thousands of communist union members were jailed, and hundreds were shot dead by the police or the military in the Telangana region of Andhra Pradesh state.
- **Union support for independence.** The labour movement together with certain political parties generated a patrimonial mood against

colonialism. During the British colonial regime, trade unions sheltered freedom fighters. B.P. Wadia, the founding president of the Madras Textile Workers' Union, wrote in a book published in 1921 that "it is necessary to recognize the labour movement as an integral part of the national movement for India's independence".<sup>48</sup> The AITUC led the fight for independence of India. At the AITUC leaders' instigation in October 1939, workers in Bombay went on strike against the imperialists-led war.<sup>49</sup> Union participation in India's independence movement became a basis for securing their institutional role in contemporary politics.

- **The state as the employer of the public sector as well as the regulator of legislations.** After independence, industrialization kicked off with the establishment of the public sector and the nationalization of the banks, coal mines, textile mills and infrastructure. The state administered the wages and working and employment conditions and acted as the employer in collective bargaining with trade unions in those nationalized industries. From the 1960s through the 1980s, most union members came from the public sector, such as the railways, ports and docks, post, and textile factories. The labour movement was greatly aided by state intervention, which determined most of the substantive and procedural rule of the industrial relations system.<sup>50</sup>
- **Non-working union leaders.** Article 22 of the Trade Unions Act (1926) permitted trade unions to engage non-working individuals (not employed in an industry), such as retired persons and politicians, in their leadership positions.<sup>51</sup> The Act was amended in 2001 to limit the "outsiders" to only 25 per cent of leadership positions. Some trade unions recognize these outsiders as a positive contribution to the labour movement and prefer to maintain an adequate proportion between outsiders and insiders in union leadership.<sup>52</sup> However, even though politicians-cum-office bearers usually bring political influence to the union management, they lack knowledge on day-to-day affairs of the industry and are ineffective in negotiating with employers on industrial matters.

### 4.3 Trade unions in the Lok Sabha

The fragmentation of political parties over the years has led to the many divisions of trade unions, although much of the more recent labour fragmentation has been a result of issues led by personalities or occasionally because of caste or regional identities.<sup>53</sup> The INTUC, for example, claims

that, despite an ideological affinity, it has always been independent of the INC and that its leaders at times have lodged complaints against the INC programs.<sup>54</sup> However, according to the report of the 2005 plenary session of the INTUC congress (in Bangalore), its members pledged support for all the policies and programs of the INC.<sup>55</sup> The nationwide close relationship between the INTUC and the INC does not always coincide with the state-wide relationship between INTUC leaders and different political parties.

A similar situation occurred with the CITU membership supporting the same policy direction as that of the CPI (Marxist). After the CPI (Marxist) General Secretary announced his strategies regarding the 2009 Lok Sabha (lower house of Parliament) elections and an alliance with the major regional political parties not aligned with either the INC or the BJP,<sup>56</sup> the CITU General Secretary swiftly publicized his support of the CPI (Marxist) policy at the CITU Working Committee (January 2009). He then urged the CITU members to join the political struggle to defeat both the INC and the BJP parties in the forthcoming election (2009).<sup>57</sup> According to H. Mahadevan, AITUC Deputy General Secretary, although there is a tradition of good relations between the CPI and the AITUC, there is no written agreement outlining a specific relationship between the two organizations.<sup>58</sup> The BMS and the BJP are ideologically connected with the ground of nationalism, but any BMS leader would have to forgo his/her position in BMS, in case the leader run for a BJP-back election. The BKS works as an extended arm of the *Shiv Sena* party (meaning army of Shiva), which was founded in June 1966 with the intent of fighting for the rights of the natives of Maharashtra state and has aligned with the BJP.

The Centre for Studies in Developing Societies in New Delhi profiled parliamentary members from 1952 to 1996, noting those who reported participation in a trade union. The largest number appeared in 1971, with 108 parliamentarians (21 per cent) admitting union involvement, and the figure decreased to 41 parliamentarians (7.7 per cent) in 1996.<sup>59</sup> The number of union leaders elected to the *Lok Sabha* (table 6) in 2004 had further declined to 21 persons (3.9 per cent of the total 545 seats). The AITUC claimed six members of parliament (MPs), followed by the CITU with five MPs, the INTUC with four MPs, the BMS with two MPs and the TUCC with one MP.

In addition, Bharatiya Kamgar Sangh, which is active in Maharashtra, had two MPs and the LPF, active in Tamil Nadu, had one leader elected as an MP. Although the HMS had no member elected to the Lok Sabha in the 2004 election, its affiliates are linked to various political parties at the divisional zone level. The state branches of HMS in Uttar Pradesh and Bihar have aligned themselves with Rashtriya Lok Dal (RLD) and the affiliated

**Table 6. Elected members of the Lok Sabha who were former or then union leaders, 2004**

Political parties	No. of members of Lok Sabha (lower house of Parliament)	Union background
CPI	6	AITUC
CPI (M)	5	CITU
National Congress	4	INTUC
BJP	2	BMS
Shiv Sena	2	BKSM
DMK	1	LPF
AIFB	1	TUCC
Total	21	

Source: Created by the author, March 2009, in consultation with the 12 CTUOs.

unions in Orissa have aligned with Biju Janta Dal. The data on unionist MPs indicate that union leaders' direct engagement in politics has been marginal, and the rewards that resulted from the labour-political party alliance have been diminishing.

In the *Lok Sabha*, proportional seats are allocated for various interest groups, including Scheduled Tribes, Scheduled Castes and women. Trade unions, representing more than 60 per cent of the total 714 million eligible voters in 2009, are not entitled to the proportional arrangements. The INTUC leadership has stated that the working class is underrepresented in the Parliament and in the state assemblies.<sup>60</sup> Thus, it has called for a separate provision from the Government for labour representatives in both political forums as well as for a suitable constitutional amendment to guarantee the better representation of the working class.<sup>61</sup>

The declining number of union leaders-cum-MPs indicates that trade unions have been gradually losing ground in the national decision-making body; the organized labour has thus turned to a peripheral support group for political parties. Despite the shrinking political awards, trade unions are likely to still retain the same patron relationship with their aligned political parties. All CTUOs remained heavily engaged in the *Lok Sabha* elections in April-May 2009 and campaigned for their supporting parties. Unfortunately, the political parties did not reciprocate and discuss labour issues during the election campaign, despite the economic recession that was plaguing India and reportedly left some 20 million unemployed.

Tapan Sen, Secretary of the CITU and a member of the state legislative assembly in West Bengal, argues that union-affiliated politicians can make

autonomous decisions with no regard to the policies of their own party.<sup>62</sup> It is likely that all 21 MPs with union background have rarely made a common stand for the agenda of trade unions; they are typically seen as more commonly aligned with the policies of the political party that nominated their candidacy.

#### 4.4 Trade unions and political parties at the state level

Tables 7 and 8 provide a profile of the current trade unions' political alliance in the two states of Andhra Pradesh and Tamil Nadu as of early 2009. Of the total 294 members of the legislative assembly (MLA) in Andhra Pradesh, 283 seats are shared by ten political parties (11 are independent seats). Each political party has its own labour wing to mobilize the working class. The recognized CTUOs do not always have strong political representation in Andhra Pradesh, but a few federations based in the state have ties with locally influential political parties.

**Table 7. Trade union-political party relationships in the Andhra Pradesh legislative assembly (LA), 2009**

Trade unions	Political parties	No. of LA members
INTUC	Indian National Congress (INC)	186
Telugu Nadu Trade Union Council (TNTUC)	Telugu Desam Party (TDS)	47
Telangana Boggu Ghani Karmika Sangham (TBGKS)	Telangana Rashtra Samiti (TRS)	26
Hind Mazdoor Sabha (HMS)	Janata Party (JP)	12
Andhra Pradesh Federation of Trade Unions (APFTU)	Communist Party of India (Marxist)	9
CITU	Communist Party of India (CPI)	6
–	All India majilis-e-ittehadul Muslimeen (AIMIM)	4
BMS	Bharatiya Janata Party (BJP)	2
Bahujan Kamgar Federation (BKF)	Bahujan Samajwadi Party (BSP)	1
–	Samajwadi Party (SP)	1
	Independent	11
Total		294

Source: Created by the author in March 2009, based on profiles of the legislative assembly members from an internet search and in consultation with local trade unions in Andhra Pradesh.

**Table 8. Trade union-political party relationships in the Tamil Nadu legislative assembly (LA), 2009**

Trade unions	Political party	No. of LA members
LPF	Dravida Munnetra Kazhagam (DMK)	96
Anna Thznil Sanga Paravai	Anna Dravida Munnetra Kazhagam (ADMK)	61
INTUC	Indian National Congress	34
Pattali Trade Union	Pattali Makkal Katchi (PMK)	18
CITU	Communist Party of India (Marxist)	9
AITUC	Communist Party of India	6
Marumalarchi Labour Front	Marumalarchi Dravida Munnetra Kazhagam (MDMK)	6
Tamil Nadu Traders Federation	Vidhuthali Chiruthaigal Katchi (VCK)	2
–	Desiya Murpokku Dravida Kazhagam (DMDK)	1
–	Independent	1
Total		234

*Source:* Created by the author in March 2009, based on profiles of the legislative assembly members from an internet search and in consultation with local trade unions in Tamil Nadu state.

Of the 234 members of the legislative assembly in Tamil Nadu currently, 233 seats are shared by nine political parties (one independent seat). The UPA-led government in Tamil Nadu includes the DMK, the INC, the CPI (Marxist) and the CPI, and each political party has its own labour group. Unlike the political alliance, there is little unity and solidarity among the trade unions supporting the UPA.

In other states, such as Gujarat, Kerala, Maharashtra and Uttar Pradesh, the relationship between political parties and the trade unions is more or less similar to that in Andhra Pradesh and Tamil Nadu. The legislative assembly in these states consists of a dozen political parties that have their own labour wing. The recognized major CTUOs support their traditional political alliance and local federations have ties with locally active political parties. Most of the local governments in these states are run by a coalition, although the political alliance does not necessarily engender labour unity among trade unions with links to the coalition parties. Thus, a union's collective bargaining power in a state often differs, depending on its relationship with the government in power.

The rise of regional political parties in the past decade has resulted in further divisions of trade unions and an increase in tension between the central and state governments on industrial relations issues.<sup>63</sup> The ideological splits of political parties and political parties' dominance over trade unions hamper union unity and solidarity. In the INTUC, for example, state branches were divided as various groups broke from the INC and formed regional parties. The president of the INTUC West Bengal joined the Trinamool Congress in 1999, but the president of the INTUC Maharashtra joined the Nationalist Congress Party in 2005, and the General Secretary of the INTUC Tamil Nadu campaigned unsuccessfully for J. Jayalalithaa, then chief minister of the state and the chair of the All India Anna Dravida Munnetra Kazhagam (AIADMK) who ran for state election in 2006.

In addition, political parties' domination over trade unions has caused considerable damage to trade union unity as well as to the voice of the working class. As the INTUC has pointed out, "the control of some political parties over their union organizations is so strong that they have to function according to the dictates of such political parties. ...The efforts taken by the INTUC in the past to bring about a united trade union movement have not been successful so far."<sup>64</sup> The strong ties between political parties and trade unions, especially at the state level, sometimes inhibit the unions from taking their own stance or industrial action that may embarrass their affiliated political party.

### 4.5 New trends in the trade union-political party relationship

Before the Government's liberalization policy of 1991, trade unions gained many of their privileges via. their political and judicial connections rather than by market pressure like with strikes and collective bargaining.<sup>65</sup> State patronage through regulation and other means of intervention had been the primary source of strength for trade unions, particularly in civil service and the public sector and to an extent even in the formal sector.<sup>66</sup> In recent years, the judicial system has been adversely used to restrict trade union activities, such as in the cases of the Fibres and Fabrics International (FFI) and Jeans Knit Private Limited (JKPL) in Bangalore in 2006 and the dismissal of some 350,000 civil servants in Tamil Nadu in 2003 (see section 8.2).<sup>67</sup> Even after the Garment and Textile Workers' Union (GTWU) collected evidence of labour rights violations at the FFI and the JKPL and passed the information on to international labour and human rights organizations, a Bangalore court granted an interim order in July 2006 in favour of the FFI.

Globalization issues also have stoked the increasing tension between trade unions and political parties in India, leaving union leaders feeling they cannot remain complacent with the traditional dependence on governments and political parties.<sup>68</sup> The political party in power, they have realized, follows a policy to encourage foreign investment and disregards compliance with labour standards. In fact, tension between the CPI (Marxist) and the CITU has been growing in West Bengal because the CPI (Marxist)-led government has supported a policy of privatization and industrial closure.<sup>69</sup> The working class now regards the leftist-oriented government of West Bengal as more friendly towards industrialists and lacking political will to enforce the minimum wage policy. In fact, the state government had set the minimum wage at 81 rupees per 1,000 pieces of *beedi* (hand-made local tobacco) and 80 rupees per day in the agriculture sector, but workers are only paid 46 rupees per 1,000 pieces of *beedi* and 60-65 rupees a day for agriculture work.

The trade union movement is slowly shifting from one of fragmented identities to a consolidation of interests to better serve workers, including those in the informal economy.<sup>70</sup> For instance, the SEWA, having close ties with the Modi-led BJP government of Gujarat, ended its cooperation with government agencies in 2005. Since November 2002, the SEWA has been the lead implementing agency for *Jeevika*, a livelihood security program for earthquake-affected households of Kutch, Surendranagar and Patan districts, providing 12.5 billion rupees for activities.<sup>71</sup> After terminating the program, the SEWA reshaped its relationship with the Modi government. Some claim the AITUC leadership has taken the initiative to de-link it from its patron political organization.<sup>72</sup> No written evidence, such as a statement that explains the reshaping of both relationships, has been found. The nature of the trade union-political party relationship differs case by case, making rank-and-file members' political orientation immeasurable.

In addition to the trade union dissatisfaction with the political parties in power and the continuous pursuit of labour-unfriendly policies,<sup>73</sup> new trade unions have joined a movement against dependence on political parties. Such dependence, the new union leaders argue, does not enable voice or engagement in party politics. The New Trade Union Initiative in Maharashtra and Gujarat and the National Centre for Labour (NCL) are trade unions fighting for the rights of informal economy workers outside of party politics. However, these new groups are a minority, unrepresented by the perspectives of the still politically motivated major unions, and their initiative is not so powerful to fully convince a large number of trade unions.



# Union unity and solidarity

# 5

## 5.1 National committees

The AITUC, the CITU, the HMS, the BMS, the UTUC, the TUCC and the UTUC-LS created the National Campaign Committee (NCC) in 1989 to organize joint action against the Government's anti-labour policies. The formation of the NCC was a significant turning point, ushering in the beginning of better union solidarity.

When the Government enforced a policy of privatization and disinvestment of the public sector, the AITUC, the AICCTU, the AIUTUC, the CITU, the HMS, the UTUC, the TUCC and around 30 industrial federations joined hands in a campaign against it. They established the Sponsoring Committee of Trade Unions (SCTU) to coordinate the joint activities. When the Government decided to demolish the *Babri Masjid*, a Muslim mosque in Uttar Pradesh that had been built on top of a Hindu heritage site, the SCTU came out against the policy; unfortunately its stand was divided. The INTUC and the BMS disagreed with the consensus position and walked out of the SCTU. Since then, both federations have selectively involved themselves in other SCTU activities and only those related to the coal, steel and electricity industries.

The SCTU has spearheaded a dozen joint nationwide general strikes against privatization, liberalization and globalization-related issues. In the general strikes of November 1991 and May 1992 (which the INTUC and the BMS joined), the SCTU released a 13-point charter of demands, including against a closure and exit policy. The SCTU launched a "Block the Roads and Rails" (*Rasta Roko, Rails Roko*) campaign in January 2003, a one-day oil workers' general strike in December 2003 and a one-day national strike in February 2004 against the Supreme Court's banning of civil

servants' rights. The SCTU submitted a request for social dialogue and social security to the labour minister in March 2004. In September 2005, it called for a one-day countrywide strike against what is regarded as the Government's anti-labour policy.<sup>74</sup>

In December 2006, many of the industrial federations and all the CTUOs (except the INTUC and the BMS) together organized a one-day general strike to demand the enactment of the Unorganized Sector Workers' Welfare Bill.<sup>75</sup> A year later, the federations and CTUOs organized a two-day nationwide strike against what they regarded as anti-labour policies of the UPA-led Government; they mobilized a massive number of workers from different sectors throughout the country.<sup>76</sup> In August 2008, the SCTU returned with another one-day general strike that involved seven CTUOs and several industrial federations, including teachers, public sector workers and defence employees. Together, they urged the Government to reduce economic disparity, manage spiralling inflation, ensure a statutory pension for all government employees and teachers, and implement labour laws. Because the global financial crisis has had a considerable impact on wage cuts, job losses and unemployment in labour-intensive export sectors, such as textiles, gems and jewellery, the SCTU released a statement with 13 demands in February 2009 and organized a massive one-day demonstration before Parliament.<sup>77</sup>

The SCTU is considered a joint platform of the CTUOs to pressure on the Government and push tripartite forums to favour policies that benefit the working class.<sup>78</sup> However, despite the many joint activities, the achievements seem meagre. This is attributed largely to oversights in the organizing of those activities: First, the campaigns do not properly and consistently address the concern of the informal workers because the SCTU's focus relates to organized labour issues, such as disinvestment, privatization and outsourcing.<sup>79</sup> Second, the vertical and horizontal coordination among national, industrial and local unions and follow-up actions are lacking. Once activities like a strike are accomplished, the ad-hoc intra-committee unit that organized the event is dismantled, with no provision for any future course of actions. Third, despite the joint activities, ideological differences permeate many of the events, diluting the union unity and solidarity on the particular issue. The INTUC and the BMS, for example, only engage in selective campaigns, although the frequency of their engagement in joint campaigns has increased. Fourth, the views of minority unions are not well reflected in the various demands.

Generally speaking, external issues like globalization have had a positive impact in terms of encouraging greater union unity in planning, coordinating and campaigning. The CTUOs' joint actions and solidarity on common

interests and issues have increased to some extent, with some effective pressure on the Government to overturn its policy. Still, the effectiveness and consequences of the SCTU activities to date are nominal.

### 5.2 Industrial sector committees

Workers in the electricity, financial, banking and public sectors have formed coordinating and apex bodies, such as the Joint Action Front (JAF) or the Joint Action Committee (JAC) at the sector and district levels to represent the needs of those sector workers. The JAF was formed as an ad-hoc coordination body during the Bangalore public sector units strike in 1981-82 and the numerous textile industry-wide struggles in Coimbatore.

In Tirupur district (Tamil Nadu state) in 1972, for example, around 10 per cent of the 350,000-400,000 workers were members of trade unions, such as the AITUC, the BMS, the CITU, the HMS, the INTUC, the LPF, the ATP, and the *Marumalarchi* (Revolution) Labour Front (MLF). The textile workers' unions formed a Joint Action Committee (in 1972) to strengthen their position in collective bargaining with the Tirupur Employers' Association (TEA) regarding wages and bonuses. Later, the garment workers' unions organized a district-wide strike to demand an increase of wages. In Tirupur, one group of trade unions unionizes the textile workers and the other group organizes the garment workers. The textile and garment union groups have hardly had any joint activity, even though they share similar labour issues and demands. A JAF is a temporary and ad-hoc unit that functions until the specific issue involved is resolved.

The Committee of Public Sector Trade Unions (CPSTU), comprising the AITUC, the CITU, and HMS, Joint Action Front in Bangalore, and the public sector trade unions related to coal, electricity, steel, oil and gas, telecommunications, electronics, defence, fertilizer production, airlines, airports authority, and ports and docks, was formed in 1985 to urge all political parties to understand the adverse impacts of government policies regarding privatization, disinvestment and downsizing in the public sector and review its policy.<sup>80</sup> The CPSTU organized a one-day countrywide strike in May 2008 against the Government's privatization policy.<sup>81</sup>

However, the public sector workers' joint actions have done little to successfully pressure on the Government to stop such practices as increasing contract labour in the railways, reducing new recruitments in the banking sector and disinvesting in public enterprises. Overall, the coordination of sector committees has been meagre and has hardly expanded to the private sector.

### 5.3 Alliance with people's movements

Civil society, including research institutes and community-based, voluntary membership-based, networking and campaigning organizations, functions to achieve a defined interest. Civil society in India has very specific characteristics, with largely little relevance to the poor, although that domain has been gaining more importance.<sup>82</sup>

The National Platform of Mass Organizations (NPMO) is a broad forum consisting of civil society and leftist-oriented interest groups representing farmers/villagers, students, women, youth, workers and professionals. The AITUC, the CITU, the HMS, the TUCC, the UTUC and the bank and insurance employees associations are active members of the NPMO. The CPI (Marxist) party has expressed support for its activities. For instance, at its 1995 Congress, the CPI (Marxist) conveyed a message of solidarity with a NPMO protest against the BJP-led Government's vigorous implementation of structural adjustment programmes; in 1998, it announced support for an NPMO-led mass demonstration. The NPMO launched several campaigns that successfully slowed some of the Government's retrograde programs. The leftist members of Parliament publicly praised those campaigns at the parliamentary session.<sup>83</sup>

The NPMO has also called for several general strikes against neoliberal policies and employment insecurities. Notably, a one-day general strike in September 1994 brought out the massive participation of 20 million workers, including state government employees.<sup>84</sup> Another one-day strike in May 2000 involved 56 mass organizations, including the All India State Government Employees' Federation and was regarded as a substantial sign of resistance of the Indian working class against economic liberalization. Several million employees and teachers belonging to state government and local bodies joined the strike, which spread over Maharashtra, Kerala, Tamil Nadu, Assam, Manipur, West Bengal, Tripura, Bihar, Haryana, Uttar Pradesh and Madhya Pradesh.

For the past two decades, the cooperation between trade unions and civil society has been limited and on an ad-hoc basis. Union leaders have participated in seminars and meetings organized by civil society, but a high-level strategic collaboration between the two forces has been rare. Trade unions are reluctant to share their political representative roles, although they acknowledge non-government organizations' (NGOs) competence on issues concerning informal workers, AIDS, child labour, bonded labour, migration, the labour market and World Trade Organization and regional trade agreements and are willing to cooperate on such issues.<sup>85</sup> However, trade unions and NGOs remain in a "competitive" relationship,

cautiously cooperating together, partly because their agendas sometimes overlap, but also because their organizational structure and procedures are so different.<sup>86</sup> Trade unions seem to hold the view that many NGOs are not a social movement in a real sense but creators of political parties.<sup>87</sup>

To scale up the mutual cooperation between trade unions and civil society, several promising discussions have taken place somewhat recently. Among others, the International Labour Organization's Bureau for Workers' Activities (ACTRAV) organized the Indian Labour Researchers Network (ILRN) meeting in March 2006, with around 30 people from the CTUOs, research institutes and academia participating. The meeting brought the three parties into agreement on joint researches and information sharing; the ILRN registered in November 2008 as a joint research institution. Another meeting, Industrial Relations Association (IRA) Study Group on Trade Unions and Civil Society (April 2007) involved representatives of trade unions and academia in a discussion on how to enhance collaboration between trade unions and civil society.<sup>88</sup> However, there has been little follow-up activity.

Union solidarity among the CTUOs is essentially limited in scale to cope with common challenges. External factors, such as the Government's economic reform policies in the early 1990s and the impact of globalization, have spurred increased joint activities. Several labour disputes early in the decade helped rally a sense of union solidarity, such as the Supreme Court's ruling against a civil servants' strike in Tamil Nadu state in August 2003, which provoked collective resistance not only from all the CTUOs but also the industrial federations of workers in banks, insurance, telecoms and railways.<sup>89</sup> When Honda Motorcycles and Scooters India refused to recognize a new union and violated union rights in 2005, the bond between trade unions and civil society was strengthened in their shared aim to restore labour rights. Then in 2008, all the CTUO leaders spoke as a single voice in calling for the enactment of the Unorganised Workers' Social Security Bill and the Government's effective policies against the economic crisis in 2008/2009.

In addition, a dozen of general strikes that the SCTU has led since 1991 indicate the willingness for increased joint action among trade unions. When India was hit by the 2004 Indian Ocean tsunami, the CTUOs sprung in unison (although not so well coordinated) to help with the rescue and rehabilitation by mobilizing rescue scouts from local trade unions, raising funds and providing vocational training.



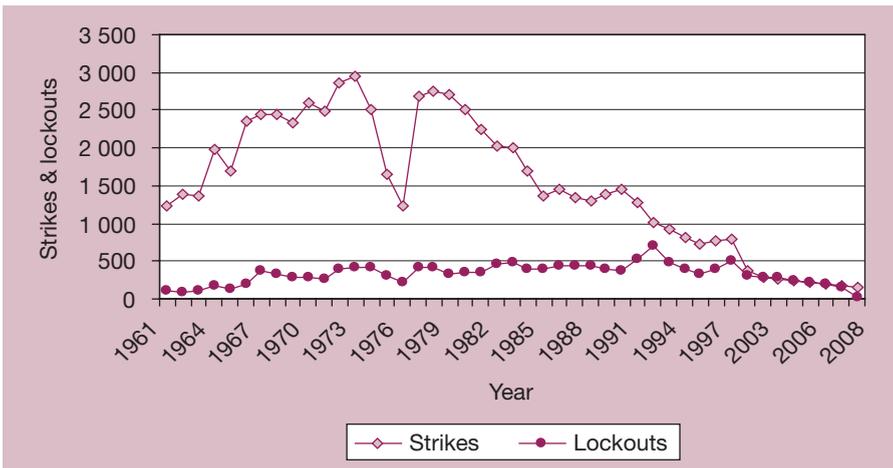
# Labour militancy

# 6

## 6.1 Industrial disputes

Figure 2 displays the incidence of labour disputes from 1961 to 2008. The number of strikes steadily increased in that period from 1,240 incidents in 1961 to the peak of 2,510 in 1974. It was a period marked by a high degree of union membership among the public sector workers, who actively engaged in industrial action. The numbers of strikes dropped sharply in 1975 and 1976, due to the Government's restriction of union activities under the declared State of Emergency. From 1977 to 2008, the strike activity gradually declined, indicating a fading of labour militancy.

Figure 2. No. of labour disputes, 1961-2008



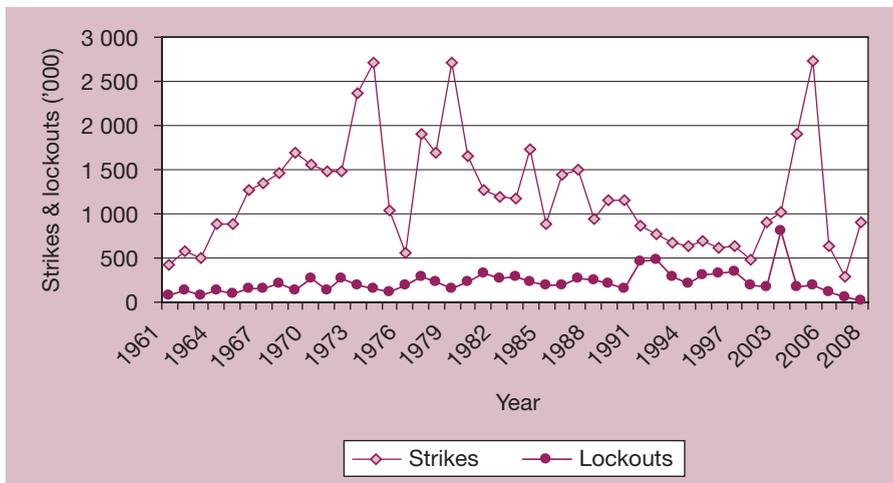
Source: Created by the author in 2009, based on data in annex 1.

## The growth and decline of political unionism in India

Excluding 832 lockouts in 1991 and 703 lockouts in 1992 when economic reforms were enforced, the incidence of lockouts has never risen above 500 in almost all years (except 2003 with 805 cases) between 1961 and 2008. However, there was a change around 2001 when the incidence of lockouts started to equal or exceed that of strikes, which reflects increased employer hostility against workers' collective actions.

Figure 3 displays the number of workers involved in those strikes and lockouts between 1961 and 2008. The total number of workers involved in strikes has constantly increased from 432,000 persons in 1961 to 2.71 million persons in 1974 – a six-fold increase. Paralleling the drop in strikes, the numbers of workers involved also dropped sharply in 1975 and 1976 during the time when a state of emergency was imposed. There was a brief surge from 1977 to 1979 that involved a large number of workers willing to strike as the economic recession depressed their situations and industrial actions increased; the turnout forced the Government to nationalize key industries. Since that time, the number of workers involved in strikes has declined along with the declining trend in strikes.

**Figure 3. No. of workers involved in strikes and lockouts, 1961-2008**



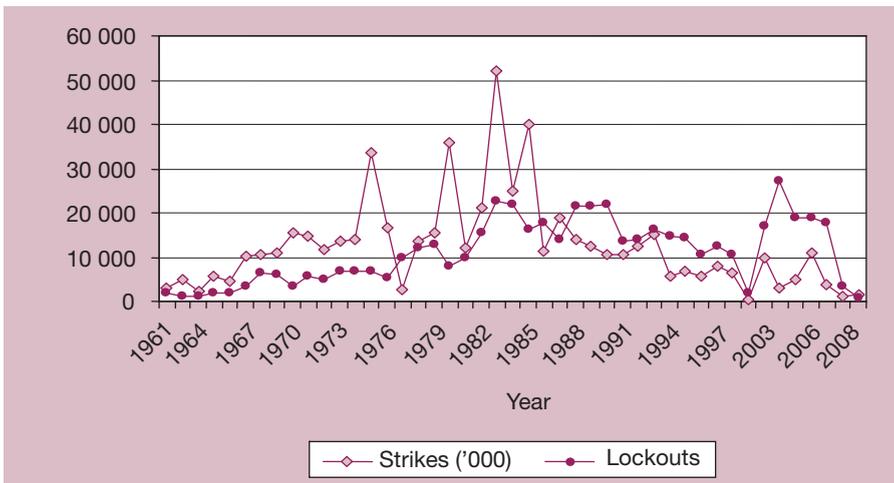
Source: Created by the author in 2009, based on data in annex 1.

Some states have had a precipitous drop in strike activity. In Tirupur district, with its large ready-made garment industry, no strike has been officially recorded since 1984, although numerous labour problems remain unsolved. Others problems have been reportedly resolved through informal channels of communication.

Interestingly, the number of workers involved in strikes suddenly increased in 2005, with 2.72 million reportedly (up from 0.9 million in 2002), even though the incidence of strikes decreased from 295 to 227 during the same period (figure 3). This odd trend implies that the average strike period has grown longer and labour relations are more confrontational.

Figure 4 illustrates the number of work days lost because of strikes between 1961 and 2008. Between 1961 and the mid 1970s, work days lost due to strikes increased, exceeding the number of work days lost due to lockouts. Between the mid 1970s and the late 1980s, the number of work days lost due to strikes shows an uneven trend up and down, with no relationship to the frequency of strikes. Since the late 1980s, the number of work days lost by lockouts has far exceeded those lost due to strikes, which means that the average duration of lockouts has become longer than that of the strikes, suggesting a more hostile position on the part of the employers against workers' industrial action.

**Figure 4. No. of work days lost due to strikes and lockouts, 1961-2008**



Source: Created by the author in 2009, based on annex 1.

In the 1990s, lockouts accounted for some 60 per cent of the total work days lost as the result of industrial disputes.<sup>90</sup> Annually, India lost 25.4 million work days because of strikes and lockouts between 1998 and 2006.

The declining labour militancy is attributed to several factors: First, there has been a shift in workers' attitudes to a more compromising position with management; workers are taking a more realistic position and understand that drastic changes in international and domestic markets are beyond the

employers' control. Second, workers' level of education has increased, thus improving the mutual understanding and cooperation between labour and management. Third, workers' fear of job insecurity, influenced by high unemployment, underemployment and poverty, has discouraged labour agitations and fostered a sentiment that corporate competitiveness and survival can provide job security. Fourth, the failure of the Bombay textile workers' long struggle somehow had an adverse effect on the labour movement – it indicated that employers could get the upper hand in the collective bargaining process. The strike, which led to a loss of 41.4 million work days in 1982 and 13.38 million work days in 1983, was a result of an internal fight among union leaders. The prolonged strike, caused by a labour vs. labour conflict, resulted in the closure of numerous factories and subsequent layoffs and tremendously damaged the public image of the labour movement.

Generally, the labour movement has been fractured by factional groups within every ideological strain working unabashedly to promote individual leaders and their ambitions.<sup>91</sup> It is, however, unclear whether Gandhi's philosophy of non-violence, deeply rooted in the society, has also been an influential element in mitigating labour agitation and militancy and making recent industrial relations less confrontational.

## 6.2 Severe cases of labour-capital vs. labour-labour conflicts

In recent years, there has been no big strike, which had an economic impact or brought consequent social transformation. Nevertheless, the strike at Honda Motorcycles and Scooters India in Gurgaon, Haryana state in 2005, the murder of the chief executive by former workers in 2008 who had been laid off from Graziano Transmission, and the killing of a human resource vice-president of Pricol Ltd. by a mob of dismissed workers in September 2009 triggered a social debate on whether these incidences reflected growing labour militancy or criminal elements.

In the Honda incident, the workers went on strike after discussions with the management failed to bring about the reinstatement of employees who had been fired because of their leadership position in the newly formed trade union. During the strike, the workers clashed with the police, killing one worker and leaving some 70 people severely injured. The brutal police crackdown led to enormous public sympathy for the workers, with trade unions, the media, civil society and political parties supporting the strike. Several days later, the prime minister, the chairman of the Congress Party and the Uttar Pradesh chief minister intervened, resulting in the

management's decision reinstating all the fired workers and recognizing the union.

Graziano Transmissioni is a gear-making multinational company operating in Noida, Uttar Pradesh. In the Graziano situation, a group of contract workers murdered the chief executive who had fired them. The company had started recruiting contract workers, giving rise to distrust between the irregular workers and the employer. The spontaneous murder provoked social outrage and debates on labour militancy and violence. There were concerns of a pending labour vs. capital conflict, while others saw it as the symptomatic tragedy of a labour vs. labour conflict caused by disparities between a majority of temporary workers who have smaller benefits and a minority of permanent workers with the greater benefits and protection.<sup>92</sup>

Pricol Ltd. is a leading auto components manufacturer operating in Coimbatore, Tamil Nadu and supplies auto parts to most major auto makers. The management had increased contract workers through contract labour and satellite vendor systems, terminated employment, and denied the payment of daily allowances and wage increase as per the settlements. In the meantime, the product of Pricol was lost by the slump in the automobile industry in 2008/2009. Workers (permanent, ancillary unit and contract) had formed a union led by the AICCTU and agitated for over two years against the hiring of contract workers and on the non-payment of pay and other benefits. In June 2009, on demands by the union, the Tamil Nadu government passed an order under Section 10B of the Industrial Disputes Act (1947) against violations of labour laws like employment of contract labour in core operations.<sup>93</sup> The company fired 42 auto parts workers as they disrupted work and damaged equipment. The angry dismissed workers wielded iron rods and beaten the human resource vice-president to death.<sup>94</sup>

India has rapidly integrated into the global economy for last two decades. It has been a hub of foreign capital inflows and a producer of less-expensive goods being exported to world markets. The violation of freedom of association reflects an increasing integration of the Indian economy into the world markets. Furthermore, the global financial and economic crisis has been contributing to a failure of markets, which alternatively creates an anti-market sentiment and growing protectionism against globalization. The workers were frustrated with a weakening globalized economy threatening job security. The upsurge of such a labour militancy was caused by an outcome of workers' frustration and protectionism resulted from India's deeper integration into the economic globalization.

### 6.3 Weakening workers' collectivism

Workers' collective consciousness has weakened and will further fade unless trade unions devise strategies to transform the workplace environment and stand up against restrictions to trade union rights, especially the application of freedom of association and collective bargaining. The following are examples of the weakness in workers' collective strength:

- Informal workers are little unionized, and thus the majority of the informal workforce is excluded from collective bargaining processes and benefits.
- Contract labour, which entails no or little legal protection, represents around 25 per cent of the total organized labour force and is increasing.
- Many state governments have enforced a hostile policy toward labour, such as the Essential Service Maintenance Act (ESMA), which requires notice of a strike six months in advance and allows the revision of categories of essential service industries every six months.
- Together with its hostile attitude, management promotes workers' associations to dilute the influence of the trade unions.
- Collective bargaining practices have been decentralized to the plant level. The wage settlement period has grown longer (from every three years to every four years and now to every five years), undermining workers' motivation to pursue workplace grievances. The scope of collective bargaining is often limited to wage issues.

# Financial status of trade unions

# 7

## 7.1 Income and expenditure of the unions submitting annual returns

The Trade Unions Act (Amendment, 2001) does not have any ceiling on union membership dues; but it specifies a minimum of 1 rupee per year for rural workers, 3 rupees per year for other informal workers and 12 rupees per year for all other workers. These are, however, lower amounts than what unions are collecting, the amount of which varies by industry.

The CTUOs, on average, collect 1 rupee per member each year and transfer 20-30 per cent of the income to their state branches. In addition to the membership dues for the CTUOs, the industrial federations collect 0.50 rupees per member each year. Local unions and their federations, however, collect voluntary donations from members for specific purposes.

The registered trade unions are obliged to yearly submit, among other things, an account of their income and expenditure to the Department of Labour. Table 9 details the income and expenditure of the registered trade unions that submitted annual returns between 1982 and 2002. According to those records, average annual union membership ranged between 600 and 900 workers, and the unions were financially self-reliable; figure 5 indicates the registered unions operated with a surplus of income. But this does not necessarily mean that all registered unions were financially healthy. The financial position of trade unions at small and medium-sized enterprises and in the informal economy must have struggled because, even though the membership dues are low, many informal workers cannot afford to pay it.

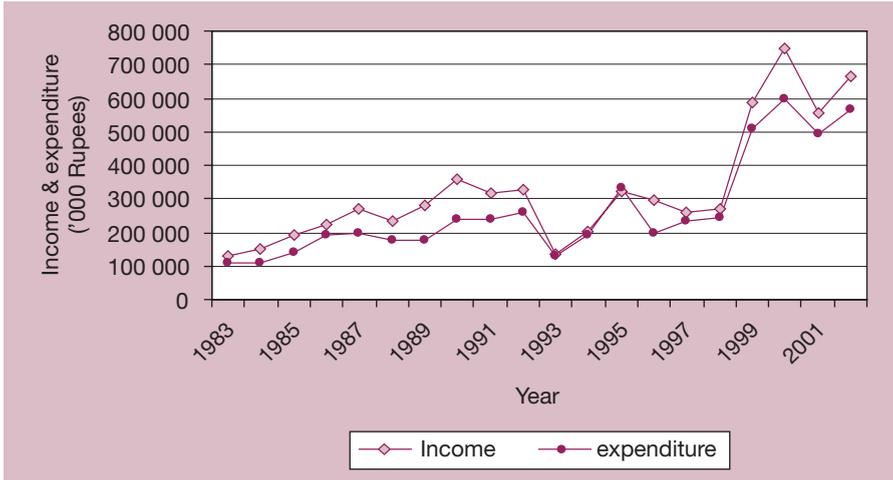
**Table 9. Income and expenditure of registered trade unions submitting annual returns, 1982-2002**

Year	No. of trade unions submitting a return	Membership of unions submitting a return ('000s rupees)	Income ('000s rupees)	Expenditure ('000s rupees)
1982	5 044	2 999	57 450	49 343
1983	6 844	5 417	131 070	108 665
1984	6 451	5 150	148 300	109 413
1985	7 815	6 433	190 490	142 264
1986	11 365	8 190	221 220	191 969
1987	11 063	7 959	270 520	196 733
1988	8 730	7 073	231 230	175 249
1989	9 758	9 295	279 030	178 191
1990	8 445	7 019	356 400	240 997
1991	8 418	6 100	316 220	241 382
1992	9 165	5 746	328 094	258 094
1993	6 806	3 134	137 115	131 965
1994	6 277	4 094	204 206	190 101
1995	8 162	6 538	321 986	334 569
1996	7 309	5 613	294 343	198 588
1997	10 016	7 408	259 227	235 291
1998	7 291	7 229	272 252	243 752
1999	8 061	6 394	585 826	509 187
2000	7 224	5 417	748 809	596 153
2001	6 531	5 873	558 072	491 315
2002	7 812	6 973	666 063	568 388

Source: Data on income and expenditure, 1982-90, from Govt. of India: *Indian labour year book* (New Delhi, Labour Bureau, MoLE, various years (1994, 1997, 2005 and 2007)), available at: <http://www.labourbureau.nic.in>; S.K. Sasikumar: *Trade unionization in the transforming Indian economy: Challenges and possibilities* (New Delhi, ILO, 2006), p. 65.

The union records indicate an 11-fold increase in revenue from 1982 to 2002 but only a 2.3-fold increase in membership (figure 5). Specifically, total income for the 5,044 unions (submitting an annual return) jumped from 57.45 million rupees to 666.06 million rupees, and the total membership increased from 2.99 million workers to 6.97 million.

Figure 5. Income and expenditure of registered trade unions, 1982-2002



Source: Created by the author with data from table 9.

## 7.2 Distribution of income and expenditure of registered unions in 2002

Table 10 shows the percentage distribution of income and expenditure of registered central and state trade unions in 2002. The sources of income between the central and state unions appear to be slightly different. As the table illustrates, the proportion of income from membership dues and donations was greater for state unions than for central unions. The central unions earned more income from the interest on their investments and from miscellaneous sources than did the state unions. Overall, membership dues were the primary source of revenue, accounting for 50.1 per cent of the total income. Donations, contributed by unidentified channels, are the second major source of union income at 18.5 per cent. Interest on investments (8.3 per cent), the sale of publications (1.4 per cent) and miscellaneous sources (21.5 per cent) generated the remainder of the revenue stream. The annual return (statement) does not indicate whether any of the incoming funds come from political parties. The CTUOs also received grants from various national and international bodies for the purpose of organizing activities, including education programs and awareness-raising campaigns.

Trade unions have mobilized resources from their members through fund-raising campaigns to benefit victims of natural disasters, such as the Indian Ocean tsunami and other floods. The INTUC initiated to raise a fund in 2008 for rehabilitation activities in flood-affected Bihar and contributed it

**Table 10. Percentage distribution of income and expenditure of registered trade unions, 2002**

Sources of income	Central unions	State unions	Total	Items of expenditure	Central unions	State unions	Total
	%	%	%		%	%	%
Membership dues	42.6	57.6	50.1	Salaries, allowances and expenses of officers	20.02	23.7	21.8
Donations	18.1	19.0	18.5	Expenses of establishments	2.4	11.0	6.7
Interest on investments	10.1	6.5	8.3	Cost to produce periodicals, etc.	3.5	3.0	3.2
Income from periodicals, books, etc.	1.4	1.4	1.4	Funeral, old age, sickness and religious aid	2.2	3.5	2.8
Income from miscellaneous sources	27.7	15.4	21.5	Expenses to conduct labour disputes	1.3	2.7	2.0
				Legal expenses	2.1	2.8	2.4
				Educational, social and religious aid	1.1	2.1	1.6
				Auditors fee	0.8	1.9	1.3
				Compensation paid to members for losses arising during labour disputes	0.9	1.8	1.3
				Other expenses (rent, etc.)	65.68	47.5	56.5

Source: Labour Bureau, MoLE, 2009, available at: <http://www.labourbureau.nic.in>

to a prime minister's fund, also for Bihar victims. More recently (2008 and 2009), both the AITUC and the BMS used donations from members to build new headquarters in New Delhi.

In terms of expenditure, office maintenance, administration and salaries accounted for 25.42 per cent of total expenditure by the central unions and 40.1 per cent by the state unions. Expenditure for producing publications,

## 7. Financial status of trade unions

education and labour dispute resolution costs, which are considered as direct investments on the future of the labour movement, were relatively small, at 8.9 per cent for the central unions and 12.4 per cent for the state unions. The comparative size of expenditure suggests that trade unions spend more on maintenance than for future-oriented activities. The portion of undefined expenses is extremely high, with 65.68 per cent unaccounted for by the central unions and 47.5 per cent by the state unions.



# Compliance with freedom of association

# 8

## 8.1 Recognition of trade unions

As of 2008, the Government of India had ratified 40 ILO Conventions, including four of the eight core Conventions on forced labour, 1930 (No. 29), equal remuneration, 1951 (No. 100), abolition of forced labour, 1957 (No. 105) and discrimination (employment and occupation), 1958 (No. 111).<sup>95</sup> The other non-ratified core conventions are on freedom of association and protection of the right to organize, 1948 (No. 87), the right to organize and collective bargaining, 1949 (No. 98), minimum age, 1973 (No. 138), and worst forms of child labour, 1999 (No. 182). The ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted in the 86<sup>th</sup> Session of the International Labour Conference in Geneva in 1998 is commendable because all member countries, irrespective of having ratified the eight core Conventions or not, are obliged to respect, promote and realize the principles concerning the fundamental rights enshrined by the ILO Constitution. This includes India, which is obligated to comply with the ILO's standard on freedom of association.

However, workers' rights to freedom of association and collective bargaining have been restrictive in India by law and in practice, although the Government doesn't see it that way. According to the Ministry of Labour and Employment, "India has difficulties in ratifying some of the ILO Conventions concerning freedom of association and collective bargaining. The guarantee provided for in Conventions No. 87 and No. 98 is, by and large, in conformity with the relevant provisions of the Indian Constitution, national laws and regulations. The rights guaranteed under these two Conventions are also available to industrial and other workers through laws and practices."<sup>96</sup>

Workers often experience practical difficulties in forming their own union at the workplace (as the following sections explain). The Trade Unions Act states that no trade union can be registered unless there are at least 100 persons employed or 10 per cent of the total workforce in an establishment or an industry. Trade union registration is not compulsory, and trade union recognition is also not mandatory.<sup>97</sup> Registration is with the government registrar, while recognition is by the management (by accepting one union as a collective bargaining agency or a collective bargaining council constituted by multiple unions). The absence of a mechanism for the recognition of trade unions serves to encourage union dependence on political parties as well as political parties' manipulation of union activities.<sup>98</sup> Some CTUOs have not registered with the government (under the Trade Unions Act), but they are affiliated to international union umbrellas and participate in national and international tripartite forums.

## 8.2 Civil servants' rights

The following highlights the situation of limited civil servants' trade union rights in India:

- The judiciary system is used as a shield to defend any anti-labour policy of state or central government and as a spearhead to damage trade union rights. For example, the Supreme Court's verdict against the government employees' strike in Tamil Nadu in 2003 stated that the right to strike is not fundamental for civil servants. In the landmark ruling in the case of T.K. Rangarjan vs. the Tamil Nadu state, the Supreme Court declared:<sup>99</sup>
  - No organization can claim it is entitled to enforce a strike with interference with the exercise of the fundamental freedom or other citizens, in addition to causing a national loss in many ways.
  - There is no legal or statutory right to strike.
  - There is no moral or equitable justification to strike.

The Tamil Nadu government believed that employees are obliged to redress their grievances through the different machineries provided under the law. The government dismissed some 350,000 civil servants on the grounds of participation in an illegal strike. However, the government eventually had to reinstate most of the dismissed officials after domestic and international pressure and criticism escalated.

- The Tamil Nadu Essential Services Maintenance Act (2002) prescribes a punishment of up to three years' imprisonment and a fine of 5,000 rupees for participants in a strike involving essential service sectors. The state governments are given a free hand to review the categories of industries every six months and decide to include or exclude them under the Essential Services Maintenance Act. Government administration is included as an essential service. The government of West Bengal has included the information technology (IT) sector as an essential service, and the government of Karnataka put the automobile industry on its list of essential public utilities.
- The administrative state authorities play a negative role in industrial relations rather than function as an efficient and adequate enforcement mechanism of legislation.<sup>100</sup> For instance, the government of Punjab introduced a five year-valid self-certification scheme for small-scale industries in the state and curtailed visits of government officials for inspection of those units. In addition, the labour inspection system as an enforcement mechanism remains inefficient because of an increasing number of vacancies for inspectors.

### 8.3 Labour standards in the informal economy

India has enacted a plethora of labour legislation, including 51 central labour laws and 103 state labour laws (spelled out in a total of 5,000 pages).<sup>101</sup> The inefficient enforcement of those labour laws is attributed to non-compliance with labour standards, especially for the 409.6 million informal workers who have no or little voice and representation. The SEWA, the NCL and Working Women's Forum are proactive in the informal economy, and to some extent, the CTUOs also have successfully reached out to certain informal workers; but the scope of their activities is limited to certain areas and target groups, leaving a large number of informal workers voiceless. To simplify the complicated legislation and extend it to the informal economy, the BMS urges the Government to codify existing labour laws into five categories:<sup>102</sup>

- industrial relations
- wages
- social security
- safety
- welfare and working conditions.

The UPA-led Government has taken several steps to respond to the issue of informal workers. For example, the National Rural Employment Guarantee Scheme ensures 100 days of employment or equivalent income for rural households in the country, and the Unorganised Workers' Social Security Bill (2008) aims to improve living standards.<sup>103</sup> Their implementation and financing are necessary for extending social security coverage to the majority of informal economy workers.

### 8.4 Non-compliance with freedom of association

The level of compliance with international labour standards in India is rather low, as evidenced by the various analyses of many institutions, including the Organisation for Economic Co-operation and Development (OECD), the ILO, Verite (a non-profit research organization) and the International Trade Union Confederation (ITUC):

- **The OECD** regularly assesses 74 member and non-member countries' content of compliance with the rights to freedom of association and collective bargaining and classifies them into four groups: i) high degree of freedom of association, ii) restrictions exist but freedom of association is existent, iii) significant restrictions on freedom of association and iv) freedom of association is non-existent. India is currently categorized as the second group, in which compliance and restrictions of freedom of association are co-existent.<sup>104</sup>
- **The ILO** generates statistical data on trade union rights related to freedom of association, collective bargaining, strikes, and rights in economic processing zones. The data is gathered based on 37 evaluation criteria, created by an analysis of sources collected from i) the ratification of the ILO Conventions No. 87 and No. 98, ii) decisions by the ILO Governing Body Committee on Freedom of Association, iii) the ITUC Annual Survey on the Violation of Trade Union Rights, iv) the United States Department of Labour's country reports, and v) Reports of the Committee of Experts. Based on that data, a country is "graded" from 0 (for the least number of violations) to 10 (for the highest violations). India currently has a score of unimpressive 5.5 points.<sup>105</sup>
- **Verite** conducted more than 1,700 comprehensive factory audits in 60 countries over the past ten years. Verite's 2006 report, compiling the qualitative and quantitative data on several criteria, including factory audits, in-country research, review of reports from various

sources, and interviews with workers, union leaders, government officials and NGOs, reflected the conditions of core labour standards in the formal economy of 27 countries. Verite rated the level of compliance of labour standards from 0 (for the lowest level) to 4 points (for the highest). India scored in the lower level of compliance, at 1.75.<sup>106</sup>

- **The India section under an ITUC Annual Survey of the Violations of Trade Union Rights (2008)** highlighted the barriers in organizing trade unions in law and in practice. It particularly looked at the informal economy, but included the formal economy where there are strong government restrictions on the rights to strike, such as under the Essential Services Maintenance Act, in economic processing zones and in special economic zones.<sup>107</sup> There is no regulatory legislation on working conditions in new growth industries, such as call centres, business process outsourcing, visual media and telecoms, and thus the right to freedom of association is restricted in these industries. Employers are often hostile towards trade unions through the use of intimidation, threats, beatings and demotion. Legal procedures are long and costly, and labour inspection and enforcement of labour legislation are often lacking.<sup>108</sup>
- **The Contract Act (Regulation and Abolition, 1970)** applies to only some 300,000 workers of the 80 million workers in contractual jobs.<sup>109</sup> According to one union leader in India, some 74 per cent of the workforce has no legal coverage.<sup>110</sup>
- **The sluggish and corruptive legal system** appears to be a bottleneck of enforcement. Countless posts for judges have been vacant for years, and there are 27 million legal cases pending, including cases of severe human rights abuses.<sup>111</sup> As pointed out in table 11, as of May 2000, 533,038 cases of labour disputes were pending in a total of 333 courts handling labour grievances in 13 states, which included 214 labour courts, 97 industrial tribunals and 22 labour courts-cum-industrial tribunals.<sup>112</sup> Of the huge backlog, around 37,878 cases have been pending for more than ten years. These cases cover issues related to employment contracts, dismissals, promotion, transfer, wage payment, wages, bonus, hours of work, working conditions, fringe benefits and other similar matters.<sup>113</sup>
- **The Tripartite Committee on Conventions** is a consultative body monitoring the implementation status of ILO Conventions ratified by the Government of India as well as reviewing legal and industrial conditions related to certain potential conventions to be ratified. The

**Table 11. No. of complaint cases pending in 333 labour courts in 13 states, as of May 2000**

State	No. of cases pending	No. of cases pending for more than 10 years
Assam	189	138
Bihar	5 200	566
Delhi	28 837	2 342
Gujarat	133 916	8 616
Kerala	3 450	63
Karnataka	17 457	2 924
Maharashtra	142 345	11 508
Madhya Pradesh	89 341	Not available
Punjab	14 784	110
Rajasthan	20 066	775
Tamil Nadu	21 713	150
Uttar Pradesh	22 539	10 303
West Bengal	2 225	283
Total	533 038	37 878

Source: S.K. Sasikumar: *Trade unionisation in the transforming Indian economy: Challenges and possibilities* (New Delhi, ILO, 2006), p. 40.

agenda of the Committee clearly indicates that discussions on ratifying the core Conventions are sidelined, while the focus remains on more peripheral Conventions.<sup>114</sup> In its January 2008 session, for example, the Committee discussed ILO Conventions on discrimination (employment and occupation), 1958 (No. 111), minimum wage fixing, 1970 (No. 131), human resource development, 1975 (No. 142), prevention of major industrial accidents, 1993 (No. 174), safety and health in mines, 1993 (No. 176) and promotional framework for occupational safety and health, 2006 (No. 187). In its subsequent session, the Committee reviewed Conventions, related to occupational safety and health, 1991 (No. 155), asbestos, 1986 (No. 162), work in fishing, 2007 (No. 188), and maritime labour Convention, 2006. The Committee used to meet only once a year, but in 2009 agreed to meeting twice a year, in order to proceed with the speedy ratification of certain conventions.

These various conclusions explain that the scope of application and implementation of India's labour laws is highly restrictive. The Tripartite

Committee on Conventions has reviewed legislation to comply with international labour standards, but it has frequently changed its agenda, making follow-up rather difficult. In order for the central Government to take concrete steps for new ratifications, state governments have to review their relevant Acts and, most importantly, trade unions need to pressure on the central and state governments for ratification of the core Conventions.

The ILO International Labour Standards Department developed the Libsynd database to record all complaint cases lodged by trade unions during the period of 1951-2009. According to that database, Indian trade unions lodged a total of 67 complaint cases, including the violation of the right to freedom of association and collective bargaining; the current status shows one active case, two follow-up cases and 64 closed cases (completed examinations by the Committee on Freedom of Association).<sup>115</sup> The Indian complaints lodged between 1951 and 2009 were 67 cases, which are somewhat higher than those by other unions in Asian countries. Even though India is bigger in the size of economy, workforce and union members than other Asian countries, the figure reflects the effective use of international instruments by Indian unions. However, most of the cases were filed prior to 1995. Since then, only eight complaints have been filed.

Ultimately, what the previous observations and conclusions indicate is that trade unions in India either lack an innate ability to cope with enormous workplace issues or they little rely on ILO supervisory machinery, which guides member States in the ratification and application of international labour standards, but to some extent, frustrates the complaining trade unions due to slow process of its supervision.



# Collective bargaining practices

# 9

## 9.1 Collective bargaining issues

### *i. Collective bargaining with a single union and with multiple unions*

There are two types of collective bargaining: i) with a single registered union at a company; and ii) with multiple unions. A trade union can be a sole bargaining agency if there is no other registered union. Every employer (where there is more than one union) likes to establish a “bargaining council”, in which all the registered unions (within that company) will have proportional representation according to the size of their membership. A union with a membership of more than 40 per cent of the total workforce at an establishment becomes the principal bargaining agent and has the right to nominate the chairman of the bargaining council. In an establishment with multiple unions, all the registered unions have the right to collective bargaining and are called “bargaining agents”. Therefore, a settlement of collective agreement with one union is not binding on members of any other union at the establishment unless there is agreement to it during the conciliation proceedings.<sup>116</sup> Any other union can raise an industrial dispute if it cannot accept the agreement.

### *ii. Collective bargaining in the informal economy*

Labour market flexibility is as high as 93 per cent in India. Over the past two decades, employment has concentrated in the informal economy, characterized by poor working conditions, less remunerative and low-productive work, weak private and statutory social security schemes, and lack of access to vocational training and education. The enforcement of labour laws is one of the major challenges in assuring the voice and

representation of informal workers. Options for women workers in India are largely limited to low-income and low-quality occupations; the majority of women are engaged in home-based work. More young people now enter the world of work, but the majority of them are underemployed. Most migrant workers are also employed in the informal economy. There is little collective bargaining activity in the informal economy because a principal employer typically does not exist for many workers, nor are workers highly unionized.

### *iii. Binding of collective bargaining*

When a collective agreement is signed by a conciliation officer, the agreement is binding. Any collective agreement is binding on the workers who negotiated and individually signed the settlement. It would not, however, bind a worker who did not sign the settlement or authorize any other worker to sign on his/her behalf. A collective agreement presupposes the participation of all the interested parties. So, workers as members of different unions can be considered an interested party.

### *iv. Unfair labour practices*

Unfair labour practices defined by the Industrial Disputes Act (amended in 1982) are: a) the refusal of collective bargaining by the employer in good faith with recognized trade unions; b) the refusal of collective bargaining by trade unions in good faith with the employer; and c) workers and their unions indulging in coercive activities against certification of a bargaining representation.<sup>117</sup> Any unfair labour practice is punishable under Section 25(u) with a maximum imprisonment of six months or a maximum fine of 1,000 rupees, or both. In the case of continuity of illegal unfair practices under Section 26, the penalties can be extended for workers, with an additional month imprisonment or another fine of 50 rupees, or both, and for employers, an additional month imprisonment or a fine of 1,000 rupees, or both.<sup>118</sup> Any imprisonment or fine penalty against the employer and unionists who infringed the labour law is hardly imposed in practice because of poor enforcement mechanisms.

## 9.2 Collective bargaining procedures

Collective bargaining is a process of discussion and negotiation between labour and management regarding terms of employment and working conditions. It is a process of accommodating conflicting interests between the employer's desire of more profit and the workers' aspiration for better remuneration, through the principle of "give and take" negotiation on a

charter of demands submitted by each other.<sup>119</sup> The legal procedure for pursuing collective bargaining in India is complicated, as the following explains.

### *i. A charter of demands*

Within two months before the termination of a collective agreement, the bargaining council (or the negotiating committee) of a union notifies the employer in writing of a call for collective bargaining negotiations. The employer also can initiate the collective bargaining process by notifying the union (or unions, if there is more than one registered in the workplace). The terms and conditions of the existing agreement would continue in the event if no party initiates a new collective bargaining process or there is no other bilateral agreement. The principal bargaining agents draft a “charter of demands” through various discussions and consultations with union members. The charter typically contains issues related to wages and bonuses, working hours, benefits, terms of employment, holidays, etc. In an establishment with multiple unions, of course, the employer would prefer to have a common charter of demands, but in principle, all unions can submit different charters of demands.

### *ii. Negotiation process*

Negotiation starts with the submission of a charter of demands by the bargaining agent. There is no time limit specified by the law, although the employer is obliged to reply to the request. The scheduling depends upon the employer’s attitude and the union’s bargaining power. However, the employer has to respond within a certain period. Otherwise, the union is likely to go on strike if there is no prompt response. The lack of a time limit was challenged in court, and eventually the Supreme Court ruled that collective bargaining must take place within three months from the initial call by a concerned party.

The collective bargaining process takes longer as the employer then has to engage with each party of multiple unions in the company. In the public sector, it may take a few months or years. For example, the Joint Wage Negotiating Committee for Steel Industry, covering workers in HSL, TISCO, IISCO and VISL, took more than three years from the date of the submission of the charter of demands to the Steel Authority of India Ltd (SAIL).<sup>120</sup>

### *iii. Strikes and lockouts*

If both parties do not voluntarily reach a collective agreement by all means and efforts, the unions can go on strike after a cooling period – 14 days for

the private sector and six weeks for the public sector. Similarly, the employer can lockout the workplace after a notice period of 14 days at the private sector and six weeks in the public sector. Neither workers nor employer can take any industrial action during the pending of any conciliation proceeding and not until seven days after the conclusion of the conciliation or two months after the conclusion of legal proceedings.<sup>121</sup>

#### *iv. Conciliation or mediation*

A conciliation proceeding begins on the date when the conciliation officer receives a notice of strike or lockout. During the cooling period, the state government may appoint a conciliation officer(s) for a limited period to investigate the disputes and mediate in and promote the settlement of industrial disputes. A Board of Conciliation shall be appointed in equal numbers on the recommendation of both parties. It can be composed of a chairman and two or four members.<sup>122</sup> In a private sector dispute, the conciliation officer submits a report within 14 days from the commencement of the conciliation proceedings; the time can be extended if all parties agree in writing. For the public sector, the Board submits its report within two months; the period of submitting the report can be, from time to time, extended to an additional two months. A conciliation proceeding is concluded with one of the following recommendations: i) a settlement, ii) no settlement or iii) the dispute case is referred to a labour court or an industrial tribunal.

#### *v. Compulsory arbitration or adjudication by labour courts, industrial tribunals and national tribunals*

When conciliation and mediation fail, the parties can go to either voluntary arbitration or compulsory arbitration. In the case of voluntary arbitration, either the state or central government appoints a Board of Arbitrators, which consists of a representative from the trade union and a representative from the employer. In case of compulsory arbitration, both parties submit the disputes to a mutually agreed third party for arbitration, which is typically a government officer. Arbitration could be compulsory because the arbitrator makes recommendations to the parties without their consent, and both parties must accept the conditions recommended by the arbitrator.

Section 7A of the Industrial Disputes Act specifies the provision of a labour court or industrial tribunal within each state government that consists of one appointed person whose role is to adjudicate prolonged industrial disputes, such as strikes and lockouts.<sup>123</sup> Section 7B allows that one or more national tribunals can be constituted by the central Government for the adjudication of industrial disputes that involve questions of national

interest or issues related to more than two states.<sup>124</sup> In such a case, the Government appoints one person to the national tribunal and can appoint two other persons as advisers.

If a labour dispute cannot be resolved in a bilateral manner through conciliation and mediation, the employer and the workers can refer the case by a written agreement to a labour court, an industrial tribunal or a national tribunal for adjudication or compulsory arbitration. A final ruling on the industrial dispute must be made within six months from the commencement of the inquiry.<sup>125</sup> A copy of the arbitration agreement signed by all parties is then forwarded to the appropriate government office and conciliation officer; the government must publish the ruling in the Official Gazette within one month from receipt of the copy.<sup>126</sup>

### *vi. Grievance settlement authority*

According to Section 9C of the Industrial Disputes Act, a grievance settlement authority is provided for every industrial establishment employing more than 50 workers, in order to settle industrial disputes related to individual workers.<sup>127</sup> In such an event, the settlement period is not to exceed three months.

## 9.3 Collective bargaining practices at different levels

In India, collective bargaining can take place at three levels.<sup>128</sup>

### *i. Sector bargaining at the national level*

Since the early 1970s, sector-based collective bargaining at the national level has taken place in such industries as banks, coal, steel, ports and docks, and oil where the central Government plays a major role as the employer. In these industries, the CTUOs do not typically provide any guidelines on a charter of demands, including an increase of wage or improvement of working conditions; instead, both sides – the Government and trade unions – set up a “coordination committee” to engage in the collective bargaining proceedings.<sup>129</sup> Pay scales for government employees are revised by Pay Commissions, and wage increases are determined by Wage Boards for several industrial sectors. Collective bargaining in the public sector suffers if the position of the state government is different from that of the central Government.<sup>130</sup>

### *ii. Industry-cum-regional bargaining*

This bargaining practice is common in the private sector, such as in the cotton, jute, textiles, engineering, tea plantation, ports and docks. But such agreements are not binding on enterprise management unless the employers' association authorizes it in writing to bargain on its behalf. The role of national union federations and of employers' associations is limited because the regional bodies (of the trade unions and employers' associations) have had more experience with industry-cum-regional collective bargaining.

### *iii. Enterprise or plant-level bargaining*

Bargaining practices within enterprises differ case by case because there is no uniform collective bargaining procedure.<sup>131</sup> Typically, the bargaining council (or negotiating committee) is constituted by a proportional representation of many unions in an establishment. It is therefore easier for the management to negotiate with one bargaining agent if multiple unions at the company can form such a single entity. If not, the management will then have to negotiate individually with each registered union. In the private sector, employers generally press for plant-level bargaining because a uniformity of wage negotiation can be ignored and the bargaining power of trade unions can be reduced. Also, trade unions insist on plant-level bargaining because the payable capacity of the company is much higher and because labour issues can be resolved more quickly and easily. Trade unions can typically face a dilemma in decentralized plant-level bargaining if the business is having a managerial crisis from market failures or the management is reluctant to negotiate with the unions.<sup>132</sup>

## 9.4 Trade unions as losers in collective bargaining

Globally, trade unions function to fight against poverty by improving workers' compensation, benefits and job protection through collective bargaining, campaigning, advocacy, education, vocational training, awareness raising, and policy development and intervention. In India, trade unions are regarded as having a passive role in both fighting poverty and promoting labour rights, such as freedom of association, especially in export processing zones, special economic zones (SEZs), civil service and the informal economy. In 2008, the Economic and Social Council of the United Nations expressed concern about the minimum union membership requirement in India (of 100 workers or 10 per cent of a company's total workforce) and the Essential Service Maintenance Act, which restricts collective bargaining practices, especially in the public sector.<sup>133</sup>

Over the years, Indian trade unions have not done well within the collective bargaining process, generally left appearing as the weaker, or ultimately, losing side:

- Trade unions have been agreeing to a variety of concessions, including employment cuts, wage cuts or freezing, restrictive industrial action, flexible employment and deployment. Union bargaining power varies indirectly with labour's share in total production costs. Trade unions are more powerful in relatively capital-intensive firms and industries where the demand for labour is comparatively inelastic than in labour-intensive sectors. Employers in capital-intensive firms find it much easier to meet union wage demands.<sup>134</sup>
- The duration of collective negotiation is getting longer, weakening the collective voice and action of trade unions with the long period of settlement. The duration of the collective bargaining process has increased from two or three years in the 1970s to five years currently.<sup>135</sup> A few years ago, the Government proposed to expand the process to ten years in the public sector, which would most likely affect the process in the private sector. Although this proposal was not accepted, it suggests the upper hand that the state and central governments and the employers may wield in the collective bargaining process.
- The majority of the workforce in both the formal and informal economies generally does not engage in collective bargaining. In the late 1990s, about 2 per cent of the total workforce (or over 30 per cent of the workers in the formal sector) participated in collective bargaining process.<sup>136</sup> In comparison with the plight of collective bargaining in the 1990s, the proportion of that workforce that benefited from collective bargaining coverage in the 2000s is still dismal.

### 9.5 Indications of declining collective bargaining power

The struggle for the right to collective bargaining is further aggregated by both internal and external factors of labour markets:

- The legal provision for recognizing trade unions as bargaining agents is absent.

## The growth and decline of political unionism in India

- The presence of many trade unions in an establishment has weakened the overall collective bargaining power, especially when a bargaining council is not formed and all recognized unions do not come to a consensus.
- More and more business organizations are developing policies to manage unions through carefully devised and implemented paternalistic relationships. A carrot-and-stick policy of management dilutes workplace issues and weakens the collectivism of workers. A sophisticated human resource management scheme is one of several corporate strategies to undermine the collective bargaining power of trade unions.<sup>137</sup>
- The increasing degree of flexible employment, meaning contract labour, casual labour, part-time work and contingent work, further weakens the collective bargaining power.
- The development or expansion of small and medium enterprises, special economic zones, export processing zones and the informal economy is also eroding collective bargaining power.

### *i. Decline in real wages*

As table 12 illustrates, real wage growth declined from 1983 to 2004 across rural and urban areas, males and females, and formal and informal employment. The real wage growth rate for formal workers in both rural and urban areas declined, from 4.11 per cent during the 1983-92 period to a negative 0.63 per cent during the 1999-2004 period. The real wage growth rate for informal workers in both rural and urban areas decreased from 3.32 per cent to 1.97 per cent during the same period. It is claimed that increases in earning inequality coincide with the decline in union density and union power.<sup>138</sup>

National labour productivity maintained a growth rally from 1984 to 1994, increasing by 28.37 points from the 100 base index in 1980 to a 128.37 index in 1994.<sup>139</sup> The labour productivity in manufacturing also has sharply increased from a 105.70 index in 1985 to a 133.28 index in 1989 and further to 154.27 in 1994. The monthly labour productivity per person employed in 1990 and converted to Geary Khamis PPPs (US\$) has been in a steady rise from 2,876 in 1983, to 3,299 in 1988, to 3,717 in 1993, to 4,727 in 1998 and further to 5,607 in 2003.<sup>140</sup> The gross domestic product (GDP) growth stayed steady with an annual average of 4.3 per cent from 1985 to 1992, before rising to 6.7 per cent in 1993-97 and then remaining an average of 5.7 per cent in 1998-2002.<sup>141</sup> Despite the high growth of both labour productivity and the economy, the wage growth has experienced a declining trend, as previously highlighted (subsection 9.3). The weakening collective bargaining

**Table 12. Real wage annual growth rates for regular and irregular workers, 1983-2004**

Year/Sex	Formal jobs	Rural areas, %		Urban areas, %		Total
		Male	Female	Male	Female	
1983-1992		6.33	6.11	3.18	4.80	4.11
1993-1998		4.54	4.69	3.77	4.34	3.97
1999-2004		2.44	0.65	-1.02	-4.17	-0.63
Year/Sex	Informal jobs	Rural areas, %		Urban areas, %		Total
		Male	Female	Male	Female	
1983-1992		3.22	4.10	2.07	3.31	3.32
1993-1998		3.34	2.30	2.73	2.96	3.17
1999-2004		3.19	1.50	-0.53	-0.63	1.97

Source: adopted and modified data from V. Abraham: "Growth and inequality of wages in India: Recent trends and patterns", in *The Indian Journal of Labour Economics* (New Delhi, Indian Society of Labour Economics, 2007), Vol. 50, No. 4, p. 929.; Govt. of India: *Reports of the 38<sup>th</sup>, 55<sup>th</sup> and 61<sup>st</sup> Round of National Sample Survey Organisation (NSSO)*.

power is one of several factors contributing to the extraordinary decline in wages.

Table 13 shows the trend of wage increases in the ready-made garment industry in Tirupur, Tamil Nadu state from 2007 to 2010. In December 2006, employers' organizations, such as the Tirupur Exporters' Association (TEA), the South India Hosiery Manufacturers' Association (SIHMA) and the Tirupur Export Knitwear Manufacturers' Association (TEKMA) and the trade unions (AITUC, INTUC, MLF, LPF and ATP) embarked on an industry-cum-region-wide bargaining process. They eventually settled on wage increases for the period from 2007 to 2010. However, the CITU refused to sign the wage agreement because the annual wage increase rate didn't properly count on rising living costs affected by high inflation. In fact, the CITU argued that the wage settlement was not made on the basis of the mutual exchange of scientific data on labour productivity indexes, corporate profits, inflation rates, living costs, etc. In addition, the wage settlement period increased from every three years to every four years, although the employers insisted on every five years.

**Table 13. Wage rise settlement, 2007-10, in ready-made garments in Tirupur, Tamil Nadu state**

No.	Category	Wages for 8 hours (rupees)	2007 %	2008 %	2009 %	2010 %
1	Cutting, tailoring, iron, packing	96.69	10	4	3	3
2	Checking	55.18	10	4	3	3
3	Label work	49.74	10	4	3	3
4	Hand folding work	48.34	10	4	3	3
5	Damage checkers	38.65	10	4	3	3
6	Bundling assistants, knitting machine operators	27.65	10	4	3	3

Source: Tirupur Exporters' Association (TEA). 2008.

*ii. Decline in labour costs in both public and private sectors*

The decline of union bargaining power is also evident in the increase in income inequality and in growing variations in employment practices. In fact, labour expenses at Indian firms, which include salaries, bonuses, staff welfare expenses, gratuity and other employee costs, have been going down steadily from 9.54 per cent in 2000 to 8.13 per cent in 2004. According to a survey conducted by the *Business Standard* newspaper in New Delhi on total production costs of 3,338 companies, including 3,197 private companies and 141 public corporations (table 14),<sup>142</sup> the proportion of labour costs of the total production costs in the public sector sharply declined in a short span of time, dropping from 10.59 per cent in 2000 to 8.09 per cent in 2004. The reduction of labour costs in the private sector was relatively marginal from 8.88 per cent in 2000 to 8.15 per cent in 2004.

**Table 14. Labour costs as a proportion of production costs, 2000-04**

Year	All companies	Public sector	Private sector
2000	9.54	10.59	8.88
2001	9.44	10.41	8.49
2002	9.14	9.66	8.73
2003	8.88	9.19	8.64
2004	8.13	8.09	8.15

Source: Business Standard: "Labour loses in boom market", New Delhi, 4 Jan. 2006.

A survey by the Centre for Education and Communication (CEC) in New Delhi echoed the findings; it noted that since 1992, more than 100 of 240 public sector (or state) corporations surveyed did not have wage revisions, and the Government, having disinvested the public sector, would no longer subsidize increased wages.<sup>143</sup> In addition, a productivity and performance-linked payment scheme has been introduced in many state corporations, including IndianOil, Britannia, TELCO, SAIL, National Thermal Power Corporation (NTPC), and Hindustan Lever Limited (HLL), which the unions agreed to during the bargaining process.<sup>144</sup>

### *iii. Increased poverty line*

The vast majority of informal workers remain unprotected and vulnerable, both in legal and social aspects. Nearly 80 per cent of informal workers are poor and vulnerable to greater poverty and abuse.<sup>145</sup> According to the World Bank, the number of people living below the poverty line in India increased from 420 million in 1981 to 456 million in 2005, accounting for 42 per cent of the total population.<sup>146</sup> The Asian Development Bank (ADB), which re-valued purchasing power parity, estimates that 724.32 million people, or 63.9 per cent, of India's population live below the poverty line.<sup>147</sup> These are significant mismatches with the Government's poverty estimates of 301.72 million in 2004-05, accounting for 27.5 per cent of the country's total population.<sup>148</sup> India ranked 66<sup>th</sup> among 88 countries on the 2008 Global Hunger Index (International Policy Research Institute), which underscores the level of poverty in the country.<sup>149</sup> The livelihood of rural and urban poor continues to be vulnerable because they spend about 65-69 per cent of their income for food and the remainder for non-food items.<sup>150</sup> In fact, the Gini coefficient, measuring the consumption pattern and inequality, rose from 0.303 in the 1993-94 period to 0.325 in the 2004-05 period for the entire country, from 0.285 to 0.298 for the rural areas and from 0.343 to 0.378 for the urban areas during the same period.<sup>151</sup>

Extreme poverty does not create favourable conditions for the exercise of trade union rights in India. As an ILO report notes, "Freedom of association and the right to collective bargaining and collective action are major tools to give the poor a voice in combating poverty and are vital in promoting social justice."<sup>152</sup> The declining collective bargaining power in the formal economy and a low volume of voice from the informal economy seem attributable to the lack of motivation from the bottom to change working and living environments. It is important to mobilize the grass roots through access to vocational training, education, statutory social security and advocacy, which could serve as crucial entry points for changes in personal well-being.<sup>153</sup>

## 9.6 Examples of weakened bargaining power in the pharmaceutical industry

The collective bargaining power of trade unions has declined overall in the new business environment that has emerged with the globalized economy. For example, mergers, takeovers and closures within the international pharmaceutical industry are common; but within India, which is the world's fourth-largest producer of pharmaceuticals, the way they play out is governed by the laws of the land. In the case of mergers or takeovers, the companies need a clearance from the High Court and also from the shareholders, as required by the Companies Act (1956). Also, the processes of mergers or takeovers are regulated by the Monopolies and Restrictive Trade Practices Act (1969).

As for closure of a company, the employer needs government permission, as required by the Industrial Disputes Act. One of the conditions by which the High Court grants approval is that the workers' service conditions will not be adversely affected. The profession of pharmacy is regulated by the Pharmacy Act (1948) (amended in 1959, 1976 and 1984). The Sales Promotion Employees (Conditions of Service) Act (1976) also grants protection to workers in the pharmaceutical industry. However, the industry's working conditions, wages and labour rights are not properly regulated; and collective bargaining rights, grievance redress and wage settlements are not often recognized in the process of mergers, takeovers and closures.<sup>154</sup>

For the past two decades, the relevant government authority has granted permission to close hundreds of thousands of failing companies affecting millions of workers' jobs and benefits, though the legal procedure for factory closings is strict, and the payment of unpaid wages and benefits is a priority in the merger, takeover or closure of a company. In the case of either private or state public sector enterprises, permission is obtained from the state government. In the case of central public sector undertakings, permission comes from the central Government.

Most of the multinational pharmaceutical corporations operating in India manufacture their products through a third party or the licence system; they expand their production capacity through mergers and acquisitions. For instance, in the past decade, Sarabhai and ICI (Pharma division) merged into Nicholas; and Piramal Health Care took over, first, Nicholas, Roche, Boehringer Mannheim, and then May & Baker. As the merger of Sandoz and Ciba took place at the global level, Sandoz India Ltd. and Ciba India Ltd., which were two separately listed companies under the Companies Act (with 51 per cent holdings by their parent companies), merged to form Novartis

India Ltd. Pfizer took over Warner Lambert. In these merger processes, the companies came forward with a voluntary retirement scheme, but forced workers to accept it. In only a few cases, this type of a retrenchment scheme was first discussed with the trade unions and the unions refused to accept the proposal. However, many existing unions were dismantled in such companies as Novartis, Abott, Warner Hindustan, Pfizer and GSK when they underwent a merger or acquisition.

Outsourcing is being adopted globally as a manufacturing strategy in the ready-made garment, automotive and pharmaceutical industries. Certain jobs in manufacturing and distribution units have been categorized as non-negotiable and handed over to contractors and sales promotion workers, particularly in the pharmaceutical companies. Sales promotion workers of pharmaceutical companies in India are governed by the Sales Promotion Act, which limits workers' union rights.

Table 15 illustrates the proportion of negotiable staff of the total workforce in four selected pharmaceutical companies: Nicholas, AstraZeneca, Lupin and USV. These companies operate in the Badhi area of Himachal Pradesh where the 8 per cent excise duty is exempted on all establishments. The percentage of the staff of those companies eligible to join trade unions is as low as 7.5 per cent in Nicholas, 15.3 per cent in USV, 28 per cent in AstraZeneca, and 34.8 per cent in Lupin because a certain category of manual and non-manual workers like machine operators and sale promotion managers are prohibited from joining the union. Most of the remaining workers (92.5 per cent in Nicholas, 84.5 per cent in USV, 72 per cent in AstraZeneca and 65.2 per cent in Lupin) are designated as machine operators, supervisors and sale managers to restrict their union rights. The salaries and wages of these jobs are arguably higher in the pharmaceutical industry than in many other industries.

**Table 15. No. of negotiable staff in selected pharmaceutical companies**

Name of the company	Total workforce	Negotiable staff	% of negotiable staff
Nicholas	4 000	300	7.5
AstraZeneca	500	140	28.0
Lupin	2 500	870	34.8
USV	1 500	230	15.3

Source: CITU: *Attack on the trade union rights of the workers in pharma industry*, the paper presented at the National Workshop on ILO Core Conventions: On the Occasion of 60<sup>th</sup> Anniversary of Adoption of ILO Convention No. 87, New Delhi, 4 Nov. 2008, pp. 1-2.



# Social dialogue

# 10

## 10.1 Social dialogue at the national level

The ILO defines “social dialogue” as a bipartite or tripartite process, in which all types of negotiation, consultation or exchange of information takes place, in order to ensure democratic participation in discussions related to workplace issues and economic and social policies and to promote industrial peace and eventually to boost economic progress.<sup>155</sup> Hence, social dialogue does not necessarily require the concerned parties to reach a binding agreement and is much broader in scope than collective bargaining. The primary actors in tripartite social dialogue are workers and trade unions, employers and their organizations, and the government.

### *i. Tripartite partners*

The following describes the role of trade unions, employers’ organizations and the State/government in India:

- **Trade unions:** The membership verification results announced in 2008 vouched for 12 CTUOs as the workers’ organizations eligible to participate in national tripartite dialogue. These national federations mainly represent the interest of a total of 68,544 registered local unions at national and state bipartite and tripartite forums.
- **Employers’ organizations:** The organizations of formal economy employers are divided on the basis of ownership, size, imports or exports. At the national level, the Council of Indian Employers (CIE) consists of the All India Organisation of Employers (AIOE), which

was established by the Federation of Indian Chamber of Commerce and Industry (FICCI), the Employers' Federation of India (EFI), which was founded by the Associated Chambers of Commerce and Industry of India (ASSOCHAM), the Standing Conference of Public Enterprises (SCOPE), which was set up by the central public sector corporations, and the All India Manufacturers' Organization (AIMO), representing small and medium enterprises.<sup>156</sup> The CIE represents some 27 million employers in the formal economy and participates in all the tripartite advisory bodies on behalf of employers.<sup>157</sup> The AIOE has a membership of 50 regional associations and 149 corporate companies in both the public and the private sectors, and the EFI consists of 30 regional associations of chambers of commerce and 173 corporate companies. The SCOPE has 240 central government undertakings. Equally, the CIE and other employers' organizations represent the organized sector business.

- **The government:** It has traditionally exerted a distinctive role in industrial relations. First, it serves as a regulator, setting legal frameworks related to working conditions, remunerations, benefits and employment relationship. Second, it acts as a conciliator, mediator or arbitrator in resolving industrial disputes in both the private and public sectors. Third, it is a public sector employer, engaging in collective bargaining directly with workers' representatives. While the central Government in India supervises the overall performance of public enterprises, such as banks, insurance, airlines, mines, railways, ports and docks, defence and atomic energy, it is also responsible for labour management relations in these industries.

## *ii. National tripartite consultative mechanisms*

As of 2009, a total of 44 tripartite committees were established to promote consultations, to advise on administration and workers' welfare and to formulate labour policies. In addition, national bipartite mechanisms in the selected public and private sectors were formed to promote bilateral consultations on industrial labour issues. The tripartite consultation bodies in India are the Standing Labour Committee (set up in 1942), the Indian Labour Conference (set up in 1944), a Special Tripartite Committee (set up in 1991), industrial committees, and the Central and State Labour Advisory Committees (or Boards),<sup>158</sup> with the following functions:

- **Industrial committees** promote corporate competitiveness and workers' interests and are non-statutory. The specific committees

are the Industrial Committee on Cotton Textile, the Industrial Committee on Engineering, the Industrial Committee on Chemical Industry, the Industrial Committee on Road Transport, the Industrial Committee on Sugar, the Industrial Committee on Electricity Generation and Distribution, and the Development Council for Cement Industry.

- **Central and state advisory committees (or boards)** advise on the administration of welfare funds and are statutory with regulatory frameworks. They include:
  - Central Board of Trustees (Employees Provident Fund Organization) under the Employees Provident Fund Act (1952)
  - Central Apprenticeship Council, under the Apprenticeship Act (1961)
  - Central Advisory Contract Labour Board, under the Contract Labour (Regulation and Abolition) Act (1970)
  - Central Advisory Committee, under the Bidi Workers' Welfare Fund Act (1976)
  - Central Advisory Committee, under the Limestone and Dolomite Mines Labour Welfare Fund Act (1972)
  - Central Advisory Committee, under the Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act (1976)
  - Central Advisory Committee on Cine Workers' Welfare Fund, under the Cine Workers' Fund Act (1981)
  - Dock Workers' Advisory Committee, under the Dock Workers' (Safety, Health and Welfare) Act (1986).
- **Other tripartite committees** are the Employees Provident Fund, the Employee State Insurance Corporation, the Committee on Workers Capital Trust, the National Council for Vocational Training, the National Productivity Council, the Prime Minister's Shram Awards Committee, the Minimum Wage Advisory Board, the Central Board for Workers Education and the Committee on Conventions.

### *iii. Evaluation of national level social dialogue*

The report of the 28<sup>th</sup> congress of INTUC states that it has engaged in regular dialogue with the Government and employers' organizations.<sup>159</sup> Dr M.K. Pandhe, CITU President, believes the Government is not so serious about tripartite forums and that the Indian Labour Conference in particular has been organized sporadically; the government representatives have been junior officers who had no decision-making power at the Conference.<sup>160</sup> Actually, the Conference convened a session every 18 months from 1940 to 2009, with

the exception of the ten years between 1972 and 1981.<sup>161</sup> There are others who see the Conference as taking certain far-reaching decisions without adequate internal consultations within each group of tripartite partners.<sup>162</sup> R.A. Mital, HMS Secretary, for instance, believes the Government should use social dialogue mechanisms to rationalize the labour laws and ensure proper employment relationships and the implementation of labour standards.<sup>163</sup>

There are a number of shortcomings in the social dialogue process. First, given the situation of political parties and their paternalistic relationship with the trade unions, the CTUOs sometimes fail in presenting a unified viewpoint on many vexing issues. Second, union strategies to step up pressure on the Government to fulfil their goals are lacking. Third, sector-wide horizontal consultations among social partners are necessary to ensure effective vertical consultations with each of the respective constituents. The voice of a vast majority of informal and unorganized workers is largely left behind in the existing social dialogue processes. A strong foundation of social dialogue at the sector and state levels would be a prerequisite for tripartite forums at the national level. However, a number of independent unions at the state level without affiliation to the CTUOs are excluded from tripartite consultation bodies,<sup>164</sup> such as the National Centre for Labour (NCL) in Bangalore, Karnataka state, the New Trade Union Initiative in New Delhi, the Working Women's Forum in Tamil Nadu and the Domestic Workers' Organization in Pune. The current tripartite forums are not necessarily representative of the real voice of all enterprise unions and federations; as well, informal workers are not adequately represented in the social dialogue processes.

Even though social dialogue has its shortcomings, pressure from the CTUOs has occasionally succeeded in reversing policies of the central Government. For example, in 2005 when the MoLE submitted to the Parliamentary Standing Committee on Labour a proposal for amendments to the Contract Labour Act (to allow use of contract labour in a large number of activities, operations and industries), to the Industrial Disputes Act (to raise its applicability from 100 to 300 workers) and to promote a self-certification of inspection, the CTUOs successfully objected, arguing that the MoLE had not consulted with the CTUOs.<sup>165</sup>

The Government has promoted social dialogue to address the emerging challenges as well as to reap the possible advantages from India's growing economic integration in the world market. But the functions and role of tripartism and social dialogue have been diminishing over time.<sup>166</sup> After independence, the Government used the Indian Labour Conference and the Standing Labour Committee to generate consensus among social partners on new labour legislation proposals as well as to set up several committees,

such as the National Commission on Labour. During the 1990s, tripartite forums were used to cope with the social and economic challenges that emerged from the structural adjustment programs. The Special Tripartite Committee was constituted, and the industrial committees were reviewed in six fledgling industries at the time of the industrial restructuring. Overall, the tripartite forums have been used to reach consensus only on labour policy and legislative matters; most of their decisions – adopted as forms of guidelines, conclusions and recommendations – have remained unimplemented.

### 10.2 Social dialogue at the state level

State governments deal with labour management relations in the industries of power, iron and steel, engineering, electronics, textiles, transport, chemicals, fertilizers, and most of the public sector undertakings that are located in certain states.<sup>167</sup> State government intervention in industrial relations is more direct and pervasive, rather than the central Government having more executive power in the operation of industrial relations.<sup>168</sup> However, except for a few states, tripartite social dialogue has not developed well at the state level, due to the following reasons:

- State governments turned from being a regulator that enacted protective and welfare-oriented legislation soon after independence to a multifaceted role as the employer, prosecutor and mediator.
- State governments are more interested in courting investments into their state through the creation of business-friendly environments and policy incentives, such as tax exemption and union-free economic zones.
- With enormous discretion to intervene in industrial relations, state governments have influenced trade union dynamics and industrial relations processes but not necessarily in favour of workers.
- State governments have increased their intervening role in industrial relations, but the social dialogue system has not been institutionalized. Thus, industrial relations practices are not customized and hence ineffective.

### 10.3 Social dialogue at the industry level

To look into industry-specific problems, industrial committees were set up within the cotton, textiles, jute, coal mining, mines, cement, tanneries and leather goods, iron and steel, building and construction, chemicals, road

transport, engineering, metal trades, electricity, gas, power and banking industries.

Not all industries have a standing social dialogue structure *per se* at the industrial level to handle common labour issues as well as to discuss mutual interests with a longer-term vision. For instance, in Coimbatore district (Tamil Nadu state), trade unions and the South Indian Mills' Association used to have regular consultations on issues related to wages and bonuses, but these dialogues have been suspended since 1999. Thus, trade unions have had to address their demands through street rallies and demonstrations and to get their voice heard. When labour problems emerge, an ad-hoc "monitoring committee", mainly consisting of government officials, is set up to ensure the enforcement of labour laws in the textiles/garment industries. No representative from the trade unions or employers is invited to the monitoring committee. In Tirupur, trade unions and employers' organizations used to engage in collective bargaining on issues related to wages and bonuses only once every three years (the latest bargaining agreement period has extended to four years). If any labour problem emerges in a workplace, it is resolved by an informal consultation between management and union representatives. There are independent unions active in the industries of forestry, fishing, agriculture, small enterprises, construction, etc, but their representation in social dialogue processes is nearly nil.

### 10.4 Social dialogue at the enterprise level

As the following highlights, there are a number of enterprise-level social dialogue mechanisms, such as works committees, joint management councils and workers' participation in management:

- **Works committees** constituted by the Industrial Disputes Act are set up in establishments employing 100 or more workers. Workers and employers should have equal representation in the works committee. Workers' representatives are elected by workers. The committee's function is to promote measures for securing and preserving good relations between employers and workers through the prevention and early settlement of any labour dispute. It is a bipartite consultation body discussing non-controversial issues and making recommendations.<sup>169</sup>
- **Joint management councils** were introduced in 1958 to promote cordial relations between the trade unions and the management, increase productivity and improve workers' welfare. The trade unions nominate their workers' representatives to the council. The

council has a right to consult with the management on matters of changes in work operation, closure, amendment or formulation of standing orders and administrative responsibilities relating to welfare, safety, vocational training, working hours, holiday schedules, etc. – except wages and terms of employment. The employers' reluctance to consult with the council and non-recognition of trade unions are the big obstacles towards improving the council's prime functions.<sup>170</sup>

- **Workers' participation in management**, an approach introduced in 1975 in the manufacturing and mining industries in both the public and private sectors.<sup>171</sup> This plant-level bipartite forum was extended to the commercial and service public sectors in 1977 and to all public sector undertakings in 1983. Workers' representatives are determined by consultation with the unions, but they are not necessarily equal with the employers in number. The forum aims to facilitate discussion on broad issues related to human resources, workers' welfare, financial status and the operation and investment of the company, in order to build mutual trust and confidence. This mechanism is applicable to all industrial establishments. The Participation of Workers in Management Bill was introduced in *Rajya Sabha* (the upper house of Parliament) in 1990 and discussed in various tripartite forums to reach a necessary consensus with the employers on workers' managerial participation in the shop or plant and in a company's board of directors. No bilateral consensus on the workers' managerial participation has been reached since then.



# Conclusions

# 11

## 11.1 The findings

Political unionism in India is characterized in various ways: strong alliances between trade unions and political parties, unions' political campaigns, union leaders' election nomination, union splits by political ideologies, political links with union policies and activities, and mutual financial sponsorships. Trade unions have enjoyed certain privileges by partially participating in the State's policy- and decision-making processes. Political unionism in India has not always been inappropriate, but it has not fully succeeded in adapting to new changes and challenges in the globalized economy. The development of "enterprise unionism", in which all activities are centred at the enterprise level, is seen as a result of the failure of political unionism.<sup>172</sup> This study has analyzed the current status of political unionism in India and concludes with the following findings:

- **Collective bargaining power.** Before the economic liberalization of 1991, the labour movement remained a partnership with political parties and played a sterling role in fighting for independent India as well as in helping the country's industrialization. The representation and collective power of trade unions in the public sector continuously increased, and hence the organizational structure of trade unions has been predominantly industry-based or sector-based. Before the early 1990s, trade unions enjoyed bargaining power with a high level of militancy and with privileged legal protection.
- **Representation.** Since 1991, political unionism has achieved proportionate consultative power in labour-related issues, but it

remains non-representative of a majority of the working class in the informal economy. Political unionism doesn't offer any solutions to improve workers' welfare. It also has been a contributor in the fragmenting of the trade unions and making their work less relevant to the interest of workers. A new labour movement, independent of political affiliation and interference, has been initiated by a minority union group, but their voice is small and rather sidelined.

- **Unionization rates and fragmentation.** Even though the official figure of union members increased from 6.12 million in 1980 to 24.88 million in 2002, the verified union membership in 2002 makes those numbers appear inflated, leading to the miscalculating of the political power of trade unions at all levels. Again, the verified national membership does not include the members of many independent unions proactive at the state and industry levels. Hence, the unionization rate does not generate an accurate picture of the organizational strength of trade unions. The proportion of unionization rates is as low as 6.3 per cent of the total workforce and is still fragmented by political ideologies. Union inter- and intra-rivalry is high and thus unlikely to promote a healthy labour movement or enhance union unity and solidarity.
- **Financial status.** The registered unions' revenue has risen 11-fold over the past two decades, in contrast to a 2.3-fold increase of union membership during the same period. But the financial position of trade unions at small and medium enterprises and in the informal economy must be tense because many informal workers cannot afford the small amount of membership dues. Union activities in the form of publications, education and labour disputes resolution are significant as a direct investment for strengthening their capacity, but such expenditure is relatively small, with central unions spending only 8.9 per cent of their expenditure on such activities and state unions spending slightly more, at 12.4 per cent of their total expenditure.
- **Political influence.** Each CTUO and its affiliates have served as suppliers of a voting block to a political party, which returned rewards for the support. The number of elected union leaders in the *Lok Sabha* has steadily decreased from 108 MPs in 1971 to 41 MPs in 1996 and further to 21 MPs in 2004. This declining number of unionists-cum MPs indicates that trade unions have been gradually marginalized from the national decision-making body. The ideological division of trade unionism is wide at the national level, and it is much deeper and more complicated at the

state level where there are many political parties. With political parties maintaining their own labour units, rivalry with trade unions has intensified. Trade unions have been passive as a supporting group of political parties, but they have never been aggressive as a subjective challenger for political power.

- **Freedom of association.** The trade union movement has been defensive in protecting the existing rights and privileges obtained during state building and economic expansion, but more passive in promoting freedom of association, especially in economic processing zones, special economic zones and in the informal economy. In addition, new business environments and strategies contrived from a globalized economy have further dismantled the protective arm of trade unions, particularly in the public sector. The enforcement of labour laws is now highly restrictive, and the level of compliance with international labour standards, especially freedom of association, is rather low.
- **Collective bargaining practices.** Collective bargaining practices differ from industry to industry and from enterprise to enterprise. Trade unions are frequently not recognized by management as collective bargaining agents, and many unions become a bottleneck in having a single collective bargaining agreement in an establishment. Also, collective bargaining does not have a positive role in reaching an amicable settlement of labour disputes, and labour militancy has substantially declined over the past three decades. Interestingly, the numbers of strikes have constantly decreased, while the number of lockouts has nearly outnumbered the strikes since the early 2000s. The Government's economic policy shift from protectionism to neoliberalism has directly minimized the interventionist role of trade unions in the State's high-level policy- and decision-making processes. The tactics of human resource management have individualized workers and weakened union activities.
- **Labour militancy.** Collective bargaining experience shows a new trend with a more pluralistic and decentralized pattern. The period for collective bargaining has steadily expanded from three years in the 1970s to four years in the 1980s and to five years currently. The workforce covered by collective bargaining actually only amounted to 2 per cent in the late 1990s, and its coverage is presumably lower now because the workforce in the informal economy increased from 90 per cent (1990s) to approximately 93 per cent (2009). All these negative developments in the exercise of collective bargaining has

directly and indirectly contributed to the lowering of real wages in rural and urban areas as well as in the formal and informal economies, reducing the labour costs in the total production cost in the public and private sectors, and increasing the population living below the poverty line – from 420 million in 1981 to 456 million in 2005. It is doubtful whether trade unions have carried forward their traditional mandate with their existing internal capacity and in the face of changing external variables.

- **Collaboration between trade unions and civil society.** Interestingly, the relationship between the trade unions and civil society has improved within the framework of the National Platform of Mass Organizations. Despite the strain by the decision of two major national confederations to only join selective events due to political differences, joint activities and union solidarity have been frequent and overall improving.
- **Social dialogue.** Because the vast majority of the informal workers and the independent unions active at the state level have no affiliation with any of the 12 CTUOs and are thus excluded from the mainstream discussions, social dialogue remains constrained. Also, social dialogue mechanisms are not properly set up at the sector and state levels to link with national tripartite forums. The tripartite forums have been useful to get a consensus among tripartite partners, but numerous decisions adopted as guidelines, conclusions and recommendations remain unimplemented.

## 11.2 The need for a paradigm shift

Even though trade unions have obviously gone through their own organizational transformation to meet socio-economic and political challenges, such as poverty, social inequality, child labour, prevalent HIV/AIDS, underemployment and unemployment, the speed of their transformation is much slower than that of technical advancement, economic maturity and social developments. Their adaptability to new changes is low, and their capacity lags behind developments, taking place in all spheres of society, the economy and politics. It is observed that the nature of political unionism in India has explicitly contributed to making trade unions gradually disconnect with the interest of grass-roots workers and tarnish the traditional and exclusive role of trade union activities as a warehouse of protection and collective action.

It is, for several reasons, high time to seek an alternative model of trade unionism in India. First, changing work environments have stoked the

increasing tension between trade unions, expecting higher protection, security and benefits and the political parties, facing multiple demands in divided interests within society. Unionists and leaders feel that trade unions are marginalized in policy-and decision-making processes at all levels. As a consequence, trade unions' traditional dependence and favouritism on party polity appears to be diminished, and solidarity action among the trade unions has been increasing. The labour movement is slowly shifting from a fragmented identity to a consolidated one to respond to the interests of the working class and their enormous challenges. Second, political unionism appears to be less compatible as the globalized economy creates new business environments that disregard compliance with labour standards, especially the right to freedom of association and collective bargaining. Multiple evidences indicate that political unionism has little served as a shelter for the welfare and protection of the working class, in particular for the informal workers. Third, challenges evolved from globalization have, to some extent, become a positive element, enhancing collaboration within trade unions and between trade unions and civil society. The current trade unionism, which represents a minority of the working population, is needed to build wider alliances with social movements, related to human rights, environment, social equality, gender, child labour and tribal ethnics, which will help trade unions to broaden their social networks, in order to increase voice and to gain stronger public support. Although this strategic alliance is still fragile, this trend has been growing, shaping the nature of new trade unionism.

Nowadays, the trade union movement is responsible for other socio-economic and political challenges, emerging from poverty, social inequality, child labour, prevalent HIV/AIDS, environments, underemployment and unemployment, and so on. As a method to supplement the weaknesses of political unionism in India, the study proposes a 'service-based unionism' as a new paradigm, suitable for the changing workplace plights, resulting from high and still increasing labour flexibility, new employment relationships and new industrial relations patterns. The 'service-based unionism' is efficient to meet the various economic needs of most workers at different occupations and career cycle. It is focused on providing labour market services, related to job information, replacement, training and retraining, benefits, and so on, so that it can help improve the economic conditions of workers who are deprived, marginalized and contingent. In order to organize informal workers, young people, migrant workers and women and to increase their effective voice and representation, innovative and aggressive organizing strategies need to be adopted.

Many different unions' diverse service-based organizing strategies were eventually able to empower the informal workers economically and reach out successfully to them. The formation of self-help groups and cooperatives by the Orissa Forest and Minor Forest Workers' Union (OFMFWU) and the *Orissa Kendu Patra Karmachari Sangh* (OKKS) for forest workers in Orissa, information technology training by the Union of IT & Call Center/BPO Professionals (UNITES Professionals) in Bengaluru and Hyderabad, skills development in Tsunami-affected areas by the Hind Mazdoor Sabha (HMS) and the Indian National Trade Union Congress (INTUC) in Tamil Nadu, and welfare measures by the Steel, Metal & Engineering Workers' Federation of India – Maharashtra state (SMEFI-MS) for ship breaking workers in Mumbai, Maharashtra and in Alang, Gujarat are among many examples. It would be not easy for trade unions in India to get out of a tradition of political unionism all of sudden. For, the internal motivation and organizational determination of trade unions are not vigorous to redefine the long-lasting relationship with political parties. Hence, the 'service-based unionism' combined with the merits of contemporary political unionism would make the 'protective and economic' role of trade unions more solid and visible in the Indian society. In addition:

- A new paradigm would be more effective to respond to drastically changing environments in the society and politico-economy, such as the global financial crisis, which emerged in late 2007, but intensified in 2008 and beyond. The crisis has heated up social tensions due to the high unemployment and underemployment and increasing poverty.
- A new paradigm would work towards overcoming the internal dilemmas of trade unions, evolving from the multiplicity and disunity, political dependency and ideological divisions, low membership rates and non-representation, non-compliance of labour rights and weakened bargaining power, and insufficient investment of training and education.
- A new paradigm can help unions regain their collective bargaining power within enterprises, reshape their relationship with political parties and foster a more independent and autonomous role in union actions and decisions.
- A new paradigm can encourage the recruitment of new members, especially youth, women, migrant workers and informal workers who are in need of direct economic benefit from trade union activities. Eventually, the 'service-based unionism' would help empower these working people through education, training, networking,

campaigning, representation and collective bargaining on the one hand and uphold the popular support for the trade union movement on the other, which aims to promote labour standards, decent work and social justice.



# Endnotes

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<sup>6</sup> S.K. Bhowmik: "Labour organisations in the twenty-first century", in *The Indian Journal of Labour Economics* (New Delhi, ISLE, 2008), Vol. 51, No. 4, p. 961.

<sup>7</sup> A.B. Bardhan: *Outline history of All Indian Trade Union Congress* (New Delhi, AITUC, 1995), p.3.

<sup>8</sup> M.D. Morris: op. cit., 1965, p. 179.

<sup>9</sup> INTUC: *50 years of INTUC: Achievements and challenges* (New Delhi, INTUC, 1998), pp.1-2.

<sup>10</sup> C. Candland: "New social and new political unionism: Labour, industry and the state in India and Pakistan", in *Global Solidarity Dialogue*, no year found, p. 4, <http://www.antenna.nl/~waterman/candland.html>

<sup>11</sup> A.B. Bardhan: op. cit., 1995, p. 5.

<sup>12</sup> M.D. Morris: op. cit., 1965, p. 183.

<sup>13</sup> M.D. Morris: op. cit., 1965, p. 184.

<sup>14</sup> K.L. Mahendra: *A short history of the A.I.T.U.C. in the changing political scenario* (New Delhi, AITUC, 2005), p. 17.

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<sup>15</sup> A.B. Bardhan: op. cit., 1995, p. 42.

<sup>16</sup> INTUC: op. cit., 1998, pp. 9-10. The number of trade unions represented at the conference was some 200, with a total membership of 565,000.

<sup>17</sup> B.P. Remesh: *Shifting trajectories: Work organisation, labour relations and mobilisation in contemporary India* (Noida, V.V. Giri National Labour Institute, 2008), pp. 202-204.

<sup>18</sup> S. Davala (ed.): *Employment and unionisation in Indian industry* (New Delhi, FES, 1992).

<sup>19</sup> C.S. Venkata Ratnam: *Globalization and labour-management relations: Dynamics of change* (New Delhi, Response Books, 2001), p. 31.

<sup>20</sup> R. Datt: *Lockouts in India* (New Delhi, Manohar, 2003) p. 11.

<sup>21</sup> B.P. Remesh: op. cit., 2008, pp. 205-206.

<sup>22</sup> MoLE: "Background note", presented at the Third India-EU Seminar on Employment Relations and Resolution of Conflicts, New Delhi, 22-23 Sep. 2008, p. 2.

<sup>23</sup> Institute of Applied Manpower Research (IAMR): *Manpower Profile India Yearbook 2008* (New Delhi, IAMR, 2009), p. 320.

<sup>24</sup> R. Nayyar: "Economic reforms, industrial relations and social protection of organised labour in India", pp. 171-190, in R. Islam (ed.): *Social dimensions of economic reforms in Asia* (New Delhi, ILO, 1994).

<sup>25</sup> Govt. of India: *The report of the Second National Commission on Labour* (New Delhi, 2002), pp. 600-605. The Second National Commission on Labour identifies informal sector activities as follows: low scale of organizations like family-owned enterprises or micro enterprises, using indigenous resources and technology with unregulated or unprotected nature of work, absence of fixed working hours, lack of security of employment and other social security benefits, use of labour-intensive technology, lack of support from the Government, lack of housing and access to urban services, casual labour, small own account, and migrant labour, living in slums and squatter areas.

<sup>26</sup> The Hindu: 'Unorganised workers' Social Security Bill, 2008 passed', New Delhi, 18 Dec. 2008, <http://www.thehindu.com/2008/12/18/stories/2008121854681100.htm>; Govt. of India: *Towards faster and more inclusive growth: An approach to the 11<sup>th</sup> Five Year Plan* (New Delhi, the Planning Commission, 2006).

<sup>27</sup> After scrutiny of the claims submitted by 13 CTUOs, the chief labour commissioner (through field officers) conducted the verification process. The provisional results were intimated to all CTUOs on 21 May 2007 and reasonable opportunity was given to the CTUOs to point out errors, omissions and corrections and taking into consideration all other relevant factors and discussions held in the Standing Committee, the final industry-wise and state-wise verified membership of the CTUOs has been submitted by CLC to the Ministry of Labour and Employment on 31 December 2007. The Indian Labour Conference set the verification criteria in 1982 for representative workers' organizations at the national level.

<sup>28</sup> Govt. of India: *Subject: Verification of membership of trade unions affiliated to central trade union organisations (ctuos)*, as on 31.12.2002 (New Delhi, MoLE), No. L-52025/20/2003-IR (Imp-L), pp. 1-8. It was 1957 when the 15<sup>th</sup> Indian Labour Conference decided to undertake regular membership verification of the unions with the view of giving representation to the trade unions on various international and national conferences, committees, councils, etc.

<sup>29</sup> Telephone interview with C. Dasgupta, President, NFITU-Kol, from 15:00 to 15:30 on 6 Mar. 2009.

<sup>30</sup> R. Datt: "Regional and industrial spread of trade unions in India", in *The Indian Journal of Labour Economics* (New Delhi, ISLE, 2008), Vol. 51, No. 4, p. 998.

<sup>31</sup> Interview with T. Sen, CITU Secretary and member of the legislative assembly in West Bengal, at the CITU office, New Delhi from 13:30 to 14:00 on 9 Mar. 2009.

<sup>32</sup> INTUC: "Secret ballot election is required in CTUOs for verification: Dr Reddy", in *The Indian Worker* (New Delhi, INTUC, 2008), Vol. LII No. 11, pp. 1-4.; INTUC: *Ballot vs. membership* (New Delhi, INTUC, 1990), pp. 1-13.

<sup>33</sup> R. Datt: op. cit., 2008, pp. 993-995.

<sup>34</sup> Interview with R.A. Mital, Secretary, HMS, from 12:45 to 13:45 on 3 Mar. 2009 in the ILO office, New Delhi.

<sup>35</sup> INTUC: op. cit., 1998, p. 8.

<sup>36</sup> S.K. Das: "Trade unions in India: Union membership and union density", in *The Indian Journal of Labour Economics* (New Delhi, ISLE, 2008), Vol. 51, No. 4, p. 971.

<sup>37</sup> For more information on "All India Forward Bloc" and "Indian Federation of Labour", available at: [http://www.indianetzone.com/19/all\\_india\\_forward\\_bloc.htm](http://www.indianetzone.com/19/all_india_forward_bloc.htm); [http://en.wikipedia.org/wiki/Indian\\_Federation\\_of\\_Labour](http://en.wikipedia.org/wiki/Indian_Federation_of_Labour).

<sup>38</sup> INTUC: op. cit., 1998, pp. 2-8.

<sup>39</sup> Telephone interview with A. Roy, President, UTUC and Member of *Rajya Sabha*, West Bengal, through telephone from 11:00 to 11:30 on 2 Mar. 2009.

<sup>40</sup> Telephonic interview with A. Roy, President, UTUC and Member of *Rajya Sabha*, West Bengal from 12:00 to 12:30 on 6 Mar. 2009.

<sup>41</sup> K.R. Shyam Sunder: "Trade unions in India: From politics of fragmentation to politics of expansion and integration?", p. 160, in J. Benson and Y. Zhu (eds.): *Trade unions in Asia: An economic and sociological analysis* (London and New York, Routledge, 2008).

<sup>42</sup> Telephone interview with S.P. Tiwari, General Secretary, TUCC, at 18:30-19:00 on 4 Mar. 2009.

<sup>43</sup> Interview with M. Shah, Vice-President, SEWA, in the ILO office, New Delhi from 14:00 to 15:00 on 12 Feb. 2009.

<sup>44</sup> K.L. Mahendra: op. cit., 2005, pp. 4-5 & 33.

<sup>45</sup> K.L. Mahendra: op. cit., 2005, pp. 18, 33-34 & 43.

<sup>46</sup> S.P. Pattnaik: *Strike: A study of conflict* (New Delhi, Gyan Publishing House, 1993).

<sup>47</sup> S. Roy: *M.N. Roy: A political biography* (New Delhi, Orient Longman, 1997).

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<sup>49</sup> D. Ganguli: *History of the World Federation of Trade Unions (WFTU): Yesterday-today-tomorrow, 1945-2000* (New Delhi, WFTU, 2000), p. 112.

<sup>50</sup> K. Sankaran: *Labour laws in South Asia: The need for an inclusive development*, (Geneva, ILO International Institute for Labour Studies, 2007), pp.1-3.

<sup>51</sup> P.L. Malik (13<sup>th</sup> ed.): *Industrial law* (Lucknow, Eastern Book Company, 1980), p. 1385.

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<sup>54</sup> INTUC: op. cit., 1998, pp. 17-18.

<sup>55</sup> INTUC: *Theme and agenda papers*, The 28<sup>th</sup> Plenary Session of INTUC, Bangalore, 21-24 Oct. 2005, p. 40.

<sup>56</sup> AOL: "CPI-M to ally with non-Congress, non-BJP Parties", in *AOL India* (New Delhi), 10 Jan. 2009, <http://www.aol.in/new-story>

<sup>57</sup> K. Hemalata: *People's Democracy* (New Delhi, CITU, 2009), pp. 1-6, [http://www.pd.cvim.org/2009/0208\\_pd/02082009\\_4.htm](http://www.pd.cvim.org/2009/0208_pd/02082009_4.htm)

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<sup>59</sup> M. Sengupta: "Labour power and india's market reforms: The politics of decline and the politics of survival", in *The Indian Journal of Labour Economics* (New Delhi, ISLE, 2008), Vol. 51, No. 4, p. 988.

<sup>60</sup> Interview with R.J. Raju, Secretary, INTUC, at the INTUC office from 16:00 to 17:00 on 24 Jan. 2009.

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<sup>62</sup> Interview with T. Sen, Secretary, CITU and Member of Legislative Assembly in West Bengal, at the CITU office, New Delhi from 13:30 to 14:00 on 9 Mar. 2009.

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<sup>97</sup> C.S. Venkata Ratnam: *Industrial relations* (New Delhi, Oxford University Press, 2006), pp. 89-92. Certain state governments have either enacted laws in Maharashtra, Gujarat, Rajasthan, and Uttar Pradesh or formulated recognition rules in Andhra Pradesh, Orissa and West Bengal.

<sup>98</sup> C. Candland and W. College: op. cit., 2001.

<sup>99</sup> "SC said no fundamental or legal right to strike", in *Times of India* (New Delhi), 14 June 2007; C.S. Venkata Ratnam: op. cit., 2006, pp. 102-105.

<sup>100</sup> K.R. Shyam Sunder: "Measuring an international core labour convention: A study of freedom of association", in *The Indian Journal of Labour Economics* (New Delhi, SRC, 2008), Vol. 51, No. 2, p. 272.

<sup>101</sup> T.N. Rastogi: *Restructured Indian economy in global setting* (New Delhi, Anmol Publications, 1994), pp. 41-42.

<sup>102</sup> C.K. Saji Narayanan: *A firm 'no' to labour reforms* (New Delhi, BMS, 2005), p. 18.

<sup>103</sup> Special correspondent: "Unorganised Workers' Social Security Bill, 2008 passed", in *The Hindu* (New Delhi), 18 Dec. 2009, <http://www.thehindu.com/2008/12/18/stories/2008121854681100.htm>

<sup>104</sup> K.R. Shyam Sunder: op. cit., 2008, p. 274 and p. 283.

<sup>105</sup> K.R. Shyam Sunder: op. cit., 2008, pp. 274-275 and p. 281.

<sup>106</sup> K.R. Shyam Sunder: op. cit., 2008, pp. 275-278 and p. 282.

<sup>107</sup> ITUC: *The ITUC annual survey of the violations of trade union rights* (Brussels, ITUC, 2008), <http://survey08.ituc-csi.org/survey.php?IDContinent=3&IDCountry=IND&Lang=EN>

<sup>108</sup> ITUC: *Internationally recognised core labour standards in India*, presented at the WTO General Council Review of the Trade Union Policies of India, Geneva, 23-25 May 2007, pp. 1-21.

<sup>109</sup> S. Chakrabarti: "Just an apology?", in *The Indian Express* (Ahmedabad), 25 Sep. 2008.

<sup>110</sup> ILO: *Report of the tripartite workshop on the employment relationship in India, in Bangalore, 22-23 October 2007* (New Delhi, ILO, 2008), p. 4. This is a statement of S. Dev Roye, Secretary, CITU, who attended the workshop.

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<sup>111</sup> P. Gey, M. Jobelius and R. Tenbusch: *India: Challenges on the road to becoming a world power* (Berlin, FES, 2007), pp. 7-8.

<sup>112</sup> P.D. Shenoy: *Globalisation and its impact on industrial relations in India* (New Delhi, New Dawn Press, 2006), p. 126.

<sup>113</sup> S.K. Sasikumar: op. cit., 2006, pp. 1-80.

<sup>114</sup> Govt. of India: *Agenda of Thirty Second Session of the Tripartite Committee of Conventions, 25 February 2009* (New Delhi, MoLE, 2009), pp. 1-43.

<sup>115</sup> ILO: *Committee on Freedom of Association Cases*, <http://webfusion.ilo.org/public/db/standards/normes/libsynd> Out of some 2,700 cases of complaints lodged globally from 1951 to 2009, only 12 per cent are from the Asia and the Pacific region.

<sup>116</sup> C.S. Venkata Ratnam: "India", pp. 51-64, in C.S. Venkata Ratnam and D.P.A. Naidu, *Industrial relations & collective bargaining in South Asia: Trade union perspective* (New Delhi, ILO, 1999), p. 53.

<sup>117</sup> C.S. Venkata Ratnam: *ibid.*, 1999, p. 54.

<sup>118</sup> Govt. of India: *Section 36 of the Industrial Dispute Act, 1947* (New Delhi, Govt. of India, 1947), pp. 41-42.

<sup>119</sup> P.K. Pandhi: "Collective bargaining concept and impact in India", in *Central India Law Quarterly* (Bangalore, National Law School of India University, 1990), Vol. 3, No. 3, pp. 307-308. Available at: <http://www.indiankanoon.org/cached/1959960/>

<sup>120</sup> P.D. Shenoy, *Voluntary bipartite approaches towards industrial peace: Indian experience* (Bangkok, ILO, 1991), pp. 17-26.

<sup>121</sup> Govt. of India: op. cit., 1947, pp. 27-28.

<sup>122</sup> Govt. of India: *ibid.*, 1947, p. 10.

<sup>123</sup> Govt. of India: *ibid.*, 1947, p. 11. Labour courts, industrial tribunals and national tribunals have the same power to enforce the attendance of any person and examine him/her on oath, to compel the production of documents and material objects, and to examine witnesses.

<sup>124</sup> Govt. of India: *ibid.*, 1947, p. 12.

<sup>125</sup> Govt. of India: *ibid.*, 1947, p. 22.

<sup>126</sup> Govt. of India: *ibid.*, 1947, p. 18 and p. 22.

<sup>127</sup> Govt. of India: *ibid.*, 1947, p. 14.

<sup>128</sup> Govt. of India: *Background note, Third India-EU Seminar on Employment Relations and Resolution of Conflicts*, New Delhi, 22-23 Sep. 2008, p. 6.; D. Bhattacharjee, "Organized labour and economic liberalisation in India: Past, present and future", p. 309, in A.V. Jose, (ed.): *Organized labour in the 21<sup>st</sup> century* (Geneva, ILO, 2002).

<sup>129</sup> C.S. Venkata Ratnam: *Globalization and labour-management relations: Dynamics of change* (New Delhi, Response Books, 2001), p. 44.

<sup>130</sup> D. Bhattacharjee: op. cit., 2002, p. 310.

<sup>131</sup> Interview with R. Mehrotra, Advisor, ACC Ltd. in India, and retired ILO official at the ILO office, New Delhi from 14:00 to 14:30 on 19 Feb. 2009.

<sup>132</sup> C.S. Venkata Ratnam: op. cit., 2007, p. 623.; C.S. Venkata Ratnam: op. cit., 2006, pp. 87-88.

<sup>133</sup> Economic and Social Council of United Nations: *India: Concluding observations of the Committee on Economic, Social and Cultural Rights (E/C.12/IND/CO/5)*, New York, May 2008, pp. 4-5.

<sup>134</sup> D. Bhattacharjee: op. cit., 2002, p. 324.

<sup>135</sup> C.S. Venkata Ratnam: op. cit., 1999, p. 56.

<sup>136</sup> C.S. Venkata Ratnam: *ibid.*, 1999, p. 62.

<sup>137</sup> D.S. Saini: "Declining labour power and challenges before trade unions: Some lessons from a case study on private sector unionism", in *IJIR* (New Delhi, SRC, 2007), Vol. 42, No. 4, pp. 654-655.

<sup>138</sup> S.K. Das: "Trade unions in India: Union membership and union density", in *IJLE* (New Delhi, SRC, 2008), Vol. 51, No. 4, p. 978.

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- <sup>140</sup> Conference Board: *Total economy database: Output, labor and labor productivity country details, 1950-2009* (New York, Conference Board, 2010), [http://www.conference-board.org/economics/downloads/TEDI\\_2010.xls](http://www.conference-board.org/economics/downloads/TEDI_2010.xls)
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- <sup>142</sup> Business Standard: "Labour loses in boom market" (New Delhi), 4 Jan. 2006.
- <sup>143</sup> CEC: *Labour in contemporary India – Concept note*, Background notes of the CEC Silver Jubilee Seminar, New Delhi, 2-3 Apr. 2009, p. 16.
- <sup>144</sup> B. Ghosh: "Economic reform and trade unionism in India – A macro view", in *The Indian Journal of Industrial Relations* (New Delhi, SRC, 2008), Vol. 43, No. 3, p. 370.
- <sup>145</sup> K.P. Kannan: *Dualism, informality and social inequality: An informal economy perspective of the challenge of inclusive development in India*, Presidential Address of the Golden Jubilee Conference of the Indian Society of Labour Economics, Lucknow, Uttar Pradesh, 13-15 Dec. 2008, pp. 1-31.
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- <sup>148</sup> India's poverty estimate is based on the average calorie intake per day as opposed to average daily wages.
- <sup>149</sup> The Times of India: "India fares badly on Global Hunger Index" (New Delhi), 15 Oct. 2008.
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- <sup>162</sup> A.S. Oberai, A. Sivananthiran and C.S. Venkata Ratnam (eds.): *Promoting harmonious labour relations in India: Role of social dialogue* (New Delhi, ILO, 2001), p. 55.
- <sup>163</sup> ILO: op. cit., 1 Feb. 2008, p. 14.
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<sup>166</sup> B.P. Remesh: op. cit., 2008, pp. 198-225.

<sup>167</sup> T. Rajeshwari: "Country paper – India", pp. 131-132, in *Report of the ILO/Japan Regional Tripartite Seminar on the Promotion of Workplace Labour Management Consultation and Cooperation* (Bangkok, ILO, 1994).

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<sup>169</sup> P.D. Shenoy: op cit., 1991, p. 81.

<sup>170</sup> P.D. Shenoy: op cit., 1991, p. 82.

<sup>171</sup> V. Nath: *Workers' participation in management: Its impact on industrial relations* (New Delhi, Mittal Publications, 1994).

<sup>172</sup> K.R. Shyam Sunder: op. cit., 2008, p. 163.

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## Telephone or face-to-face interviews

- Dasgupta, C., President, NFITU-Kol, through telephone from 15:00 to 15:30 on 6 Mar. 2009.
- Mahadevan, H., Deputy General Secretary, AITUC and Representative of WFTU Asia and the Pacific Region, at Indian Institute for Social Studies, New Delhi from 10:30 to 11:00 on 29 Mar. 2009.
- Mehrotra, R., Advisor, ACC Ltd. in India, and retired ILO official at the ILO office, New Delhi from 14:00 to 14:30 on 19 Feb. 2009.
- Mital, R. A., Secretary, HMS, in the ILO office, New Delhi from 12:45 to 13:45 on 3 Mar. 2009.
- Pandhe, M.K., President, CITU, at Hotel Ashok, New Delhi from 16:30 to 17:00 on 22 Feb. 2009.
- Raju, P.J., Secretary, INTUC, in the INTUC office, New Delhi, from 16:00 to 17:00 on 24 Jan. 2009.
- Roy, A., President, UTUC and Member of Rajya Sabha, West Bengal, through telephone from 11:00 to 11:30 on 2 Mar. 2009 and from 12:00 to 12:30 on 6 Mar. 2009.
- Sen, T., Secretary, CITU and Member of Legislative Assembly in West Bengal in the CITU office, New Delhi from 13:30 to 14:00 on 9 Apr. 2009.
- Sinha, P., Senior Projects Advisor, Friedrich Ebert-Stiftung, New Delhi, through telephone from 11:30 to 11:50 on 27 Feb. 2009.
- Tiwari, S.P., General Secretary, TUCC, New Delhi, through telephone from 18:30 to 19:00 on 4 Mar. 2009.



## Annex 1. Industrial disputes classified by strikes and lockouts, 1945-2009

Year	No. of disputes			No. of workers involved ('000)			No. of work days lost ('000)		
	Strikes	Lockouts	Total	Strikes	Lockouts	Total	Strikes	Lockouts	Total
1945			820			747			4 054
1946			1 629			1 961			12 717
1947			1 811			1 840			16 562
1948			1 259			1 059			7 837
1949			920			605			6 600
1950			814			720			12 807
1951			1 071			691			3 819
1952			963			809			3 337
1953			772			467			3 383
1954			840			477			3 373
1955			1 166			528			5 698
1956			1 203			715			6 992
1957			1 630			889			6 429
1958			1 524			929			7 798
1959			1 531			694			5 633
1960			1 583			986			6 537
1961	1 240	117	1 357	432	80	512	2 969	1 950	4 919
1962	1 396	95	1 491	575	130	705	5 059	1 062	6 121
1963	1 364	107	1 471	491	72	563	2 229	1 040	3 269
1964	1 981	170	2 151	876	127	1 003	5 724	2 001	7 725
1965	1 697	138	1 835	889	102	991	4 617	1 853	6 470
1966	2 353	203	2 556	1 262	148	1 410	10 377	3 469	13 846
1967	2 433	382	2 815	1 340	151	1 491	10 565	6 583	17 148

Year	No. of disputes			No. of workers involved (‘000)			No. of work days lost (‘000)		
	Strikes	Lockouts	Total	Strikes	Lockouts	Total	Strikes	Lockouts	Total
1968	2 451	325	2 776	1465	204	1 669	11 078	6 166	17 244
1969	2 344	283	2 627	1687	140	1 827	15 477	3 571	19 048
1970	2 598	291	2 889	1 552	278	1 828	14 749	5 814	20 563
1971	2 478	274	2 752	1 476	139	1 615	11 803	4 743	16 546
1972	2 857	386	3 243	1 475	262	1 737	13 748	6 796	20 544
1973	2 958	412	3 370	2 358	187	2 545	13 862	6 764	20 626
1974	2 510	428	2 938	2 710	145	2 855	33 643	6 619	40 262
1975	1 644	299	1 943	1 032	111	1 143	16 706	5 195	21 901
1976	1 241	218	1 459	550	186	738	2 799	9 947	12 748
1977	2 691	426	3 117	1 912	281	2 193	13 410	11 910	25 320
1978	2 762	425	3 187	1 690	226	1 916	15 423	12 917	28 340
1979	2 708	340	3 048	2 714	159	2 875	35 804	8 050	43 854
1980	2 501	355	2 856	1 661	239	1 900	12 018	9 907	21 925
1981	2 245	344	2 589	1 261	327	1 588	21 208	15 375	36 583
1982	2 029	454	2 483	1 191	278	1 469	52 113	22 502	74 615
1983	1 993	495	2 488	1 167	294	1 461	24 921	21 937	46 858
1984	1 689	405	2 094	1 726	223	1 949	39 957	16 068	56 025
1985	1 355	400	1 755	878	201	1 079	11 487	17 753	29 240
1986	1 458	434	1 892	1 444	201	1 645	18 824	13 925	32 749
1987	1 348	451	1 799	1 495	275	1 770	14 026	21 332	35 358
1988	1 304	441	1 745	937	254	1 191	12 530	21 417	33 947
1989	1 397	389	1 786	1 158	206	1 364	10 659	21 968	32 627
1990	1 459	366	1 825	1 162	146	1 308	10 640	13 446	24 086
1991	1 278	532	1 810	872	470	1 342	12 428	14 000	26 428
1992	1 011	703	1 714	767	485	1 252	15 132	16 127	31 259

Year	No. of disputes			No. of workers involved ('000)			No. of work days lost ('000)		
	Strikes	Lockouts	Total	Strikes	Lockouts	Total	Strikes	Lockouts	Total
1993	914	479	1 393	672	282	954	5 615	14 686	20 301
1994	808	393	1 201	626	220	846	6 651	14 332	20 983
1995	732	334	1 066	683	307	990	5 720	10 570	16 290
1996	763	403	1 166	609	330	939	7 818	12 467	20 285
1997	793	512	1 305	637	344	981	6 295	10 676	16 971
1998			1 097			1 289			22 062
1999			927			1 311			26 787
2000			771			1 418			28 763
2001	372	302	674	489	199	688	556	1 820	2 376
2002	295	284	579	900	179	1 079	9 664	16 921	26 585
2003	255	297	552	1 010	805	1 815	3 205	27 049	30 255
2004	236	241	477	1 903	169	2 072	4 828	19 037	23 866
2005	227	229	456	2 722	190	2 913	10 800	18 864	29 664
2006	209	209	418	631	109	741	3 938	17 622	21 561
2007	210	179	389	606	118	724			27 166
2008(P)	244	181	425	1 517	63	1 580			17 475
2009(P)	107	77	184	344	37	381			3 790

Source: The data, 1945-59, from V. Gupte: *Trade union movement in India: A brief history* (Mumbai, Mill Mazdoor Education Trust, 2004) pp. 118-119.; The data, 1950-60, from D. Bhattacharjee: *Organised labour and economic liberalisation India* (Geneva, ILO International Institute for Labour Studies, 1999), p. 44.; The data, 1961-97, from R. Datt: *Lockouts in India* (New Delhi, Manohar, 2003), p. 12.; The data, 1998-2009, from Labour Bureau, MoLE, <http://labourbureau.nic.in/idtab.htm>.

Note: "P" means provisional. The data of 2009 is based on the period of January to May.

## Annex 2. Registered trade unions submitting annual returns, 1949-2002

Year	Number of registered trade unions	Number of unions submitting statement	Membership of union submitting statement ('000s)			Average membership per union submitting a statement
			Men	Women	Total	
1949	3 522	1 919	n.a	n.a	1 821	949
1950	3 766	2 002	n.a	n.a	1 756	878
1951	4 623	2 556	n.a	n.a	1 996	781
1952	4 934	2 718	n.a	n.a	2 099	772
1953	6 029	3 295	n.a	n.a	2 112	641
1954	6 658	3 545	n.a	n.a	2 170	612
1955	8 095	4 006	n.a	n.a	2 275	568
1956	8 554	4 399	n.a	n.a	2 377	540
1957	10 045	5 520	n.a	n.a	3 015	546
1958	10 228	6 040	n.a	n.a	3 647	603
1959	10 811	6 588	n.a	n.a	3 923	595
1960	11 312	6 813	n.a	n.a	4 013	589
1961	11 476	7 044	n.a	n.a	3 728	529
1962	11 827	7 521	n.a	n.a	3 682	489
1963	11 984	7 250	n.a	n.a	3 977	548
1964	13 023	7 543	n.a	n.a	4 466	592
1965	13 248	6 932	n.a	n.a	3 788	546
1966	14 686	7 244	n.a	n.a	4 392	606
1967	15 314	7 523	n.a	n.a	4 525	601
1968	16 716	8 851	n.a	n.a	5 121	579
1969	18 837	8 423	n.a	n.a	4 900	582
1970	20 879	8 337	n.a	n.a	5 120	600

Year	Number of registered trade unions	Number of unions submitting statement	Membership of union submitting statement ('000s)			Average membership per union submitting a statement
			Men	Women	Total	
1971	22 484	9 029	n.a	n.a	5 470	606
1972	23 628	9 074	n.a	n.a	5 340	589
1973	26 788	9 853	n.a	n.a	6 580	668
1974	28 648	9 800	n.a	n.a	1 941	632
1975	29 438	10 324	n.a	n.a	201	634
1976	29 350	9 778	n.a	n.a	202	666
1977	30 810	9 003	n.a	n.a	2 137	670
1978	32 361	8 727	n.a	n.a	2 262	711
1979	34 430	10 021	n.a	n.a	2 425	746
1980	36 507	4 432	n.a	n.a	2 591	841
1981	37 539	6 682	n.a	n.a	2 685	808
1982	38 313	5 044	n.a	n.a	276	595
1983	38 935	6 844	n.a	n.a	2 826	792
1984	42 609	6 451	4 707	443	5 150	798
1985	45 067	7 815	5 831	602	6 433	823
1986	48 030	11 365	7 368	819	8 187	720
1987	49 329	11 063	7 211	748	7 959	719
1988	50 048	8 730	6 334	739	7 073	810
1989	52 210	9 758	8 207	1 088	9 295	953
1990	52 016	8 828	6 181	838	7 019	795
1991	53 535	8 418	5 507	594	6 101	725
1992	55 680	9 165	5 148	663	5 746	627
1993	55 784	6 806	2 636	498	3 134	460
1994	56 872	6 277	3 239	855	4 094	652

Year	Number of registered trade unions	Number of unions submitting statement	Membership of union submitting statement ('000s)			Average membership per union submitting a statement
			Men	Women	Total	
1995	57 952	8 162	5 675	863	6 538	801
1996	58 988	7 242	4 250	1 351	5 601	773
1997	60 660	8 872	6 504	905	7 409	835
1998	61 992	7 403	6 104	1 145	7 249	979
1999	64 817	8 152	5 190	1 218	6 407	786
2000	66 056	7 253	4 507	910	5 421	747
2001	66 624	6 531	n.a	n.a	5 874	900
2002	68 544	7 812	n.a	n.a	6 973	893

Source: Data from 1949 to 1983 from V. Gupte: *Trade union movement in India: A brief history* (Mumbai, Mill Mazdoor Education Trust, 2004), p. 116.; The data from 1984 to 2002 quoted from Institute of Applied Manpower Research: *Manpower profile India year book 2008* (New Delhi, IAMR, 2009), p. 320.

**Annex 3. Verified membership of trade unions affiliated to central trade union organizations (state), including agriculture and rural workers, as of 31 Dec. 2002**

S. No.	State	Central trade union organizations													TOTAL
		BMS	INTUC	CITU	AITUC	HMS	UTUC (LS)	LPF	UTUC	AICCTU	TUCC	NFITU-KOL	NFITU-DHN	SEWA	
1	Andaman and Nicobar	116	471	487	0	0	0	0	0	1 277	0	0	0	0	2 351
2	Andhra Pradesh	1 330 449	241 618	207 202	529 082	152 910	0	0	0	0	0	0	0	0	241 262
3	Arunachal Pradesh	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Assam	42 654	335 600	44 021	31 827	50 862	35	0	8 487	25 037	0	0	0	538 523	
5	Bihar	365 736	325 323	7 223	865 128	162 381	164 344	0	430	516 612	0	0	0	2 407 177	
6	Chandigarh	3 257	1 116	0	0	13 127	0	0	0	0	0	0	0	17 500	
7	Chhatisgarh	203 581	295 104	12 663	32 304	56 601	0	0	0	82	0	0	0	600 335	
8	Dadra and Nagar Haveli	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Daman & Diu	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Delhi	336 456	250 265	10 395	44 029	143 692	30 226	0	812	7 686	0	0	881	824 442	
11	Gujarat	162 696	52 109	3 710	15 985	22 848	0	0	0	787	0	0	0	539 331	
12	Goa	351	94	1 051	33 100	4 295	0	0	0	0	0	0	0	38 891	
13	Haryana	139 552	3 270	23 458	53 157	30 432	43 384	0	0	0	0	0	0	293 253	
14	Himachal Pradesh	91 896	3 434	11 621	24 321	0	688	0	0	0	0	0	0	131 960	
15	Jammu and Kashmir	26 633	8 252	0	1 684	0	0	0	0	0	0	0	0	36 569	
16	Jharkhand	301 442	141 112	34 310	116 974	397 702	27 876	0	910	54 548	0	349	568 718	1 643 941	
17	Karnataka	22 979	95 293	77 938	19 451	135 489	3 492	0	0	0	32 456	0	0	387 098	
18	Kerala	152 460	71 289	658 573	216 885	133 898	11 257	0	48 731	0	0	0	0	1 293 093	
19	Lakshdweep	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	Maharashtra	525 650	447 969	39 402	100 494	410 497	0	0	0	0	2 324	0	0	1 526 336	
21	Madhya Pradesh	547 361	222 754	11 691	51 442	17 492	131	0	0	0	0	0	0	106 809	
22	Manipur	5 549	1 437	0	135	0	0	0	0	0	0	0	0	7 121	
23	Meghalaya	0	527	0	900	0	0	0	0	0	0	0	0	1 427	

S. No.	State	Central trade union organizations													TOTAL
		BMS	INTUC	CITU	AITUC	HMS	UTUC (LS)	LPF	UTUC	AICCTU	TUCC	NFITU-KOL	NFITU-DHN	SEWA	
24	Mizoram	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Nagaland	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Orissa	461 974	315 423	29 257	143 064	728 743	15 149	0	0	0	0	2 144	0	0	1 695 754
27	Punjab	264 821	82 975	9 087	182 740	53 046	0	0	0	0	0	0	0	0	592 669
28	Pondicherry	77	47	127	1 179	0	0	398	0	771	0	0	0	0	2 599
29	Rajasthan	448 490	24 593	25 545	179 892	236 580	1 745	0	0	0	0	0	0	0	916 845
30	Sikkim	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Tamilnadu	926 392	217 547	254 841	172 517	145 647	3 006	611 108	0	10 730	0	0	0	0	1 508 062
32	Tripura	39	5 461	63 407	39	0	0	0	0	0	51 692	0	0	0	120 638
33	Uttar Pradesh	449 443	303 589	16 921	44 345	190 287	900	0	432	7 353	0	0	0	42 000	1 055 270
34	Uttarkhand	102 982	8 663	8 046	5 199	735	0	0	0	0	0	0	0	0	125 625
35	West Bengal	136 514	498 650	1 127 497	576 365	251 227	1 071 035	0	547 133	15 079	646 288	31 127	0	0	4 900 915
TOTAL		6 215 797	3 954 012	2 678 473	3 442 239	3 338 491	1 373 268	611 506	606 935	639 962	732 760	33 620	669 599	688 140	24 884 802

Source: Govt. of India: *Order of verification of membership of trade unions affiliated to CTUOs, as of 31 Dec. 2002* (New Delhi, MoLE, 2008).

**Annex 4. Verified membership of trade unions affiliated to central trade union organizations (industry), including agriculture and rural workers, as of 31 Dec. 2002**

S. No.	Name of industry	Central trade union organizations													TOTAL
		BMS	INTUC	CITU	AITUC	HMS	UTUC (LS)	LPF	UTUC	AICCTU	TUCC	NFITU-KOL	NFITU-DHN	SEWA	
1	Textile	262 847	120 111	61 740	70 120	29 680	32 977	235 659	3 132	5 931	150	0	0	1 024	823 371
2	Clothing	81 840	4 191	10 537	0	23 516	1 771	0	709	1 065	175	48	0	133 133	256 985
3	Jute	55 172	85 358	87 663	11 160	8 684	25 571	0	2 095	5 530	7 878	16 998	0	0	306 109
4	Iron & steel	36 174	97 332	36 077	20 876	48 306	28 865	936	594	2 335	0	0	11 423	0	282 918
5	Metal	11 485	12 924	22 435	16 213	6 217	62	0	0	0	0	0	0	570	69 906
6	Engineering (ors.)	91 040	50 450	24 329	90 449	37 473	17 735	4 835	570	1 724	175	0	0	0	318 780
7	Engineering (mech.)	64 932	44 528	46 347	27 713	20 712	47 943	40	817	781	140	0	0	0	253 953
8	Engineering (electrical)	13 875	14 159	8 663	479	8 734	885	0	16	250	0	0	0	0	47 061
9	Engineering (electronics)	9 601	6 182	4 839	317	3 107	0	0	29	0	0	0	0	0	24 075
10	Defence services	78 371	77 873	1 764	1 238	13 216	301	2 363	0	0	1 476	0	0	0	176 602
11	Electricity gas & power	268 091	203 933	84 680	185 258	55 019	12 442	14 616	9 887	263	0	2 144	5 924	0	842 257
12	Railway	637 415	749 891	48 988	474	1 008 805	0	0	0	0	0	0	0	0	2 445 573
13	Water transport	715	402	720	511	100	0	0	609	0	0	0	0	0	3 057
14	Roadways	348 841	136 618	333 563	185 746	121 980	14 188	21 325	17 914	10 532	5 917	0	24 364	21	1 221 009
15	Air transport	702	0	1 272	177	6 754	0	0	35	0	0	0	0	0	8 940
16	Plantation	16 812	89 542	71 491	27 789	17 107	2 600	163	16 471	260	0	0	57 742	33 777	333 754
17	Plantation (tea)	44 374	137 269	105 815	39 719	54 753	20 431	0	101 215	25 248	0	6 335	0	0	535 159
18	Plantation (rubber)	0	0	657	2 133	20	0	0	0	0	0	0	0	905	3 715
19	Coal mining	251 435	261 363	89 271	197 861	263 483	55 755	0	0	52 063	17 650	349	54 955	0	1 244 185
20	Mining of minerals	29 935	21 720	15 518	54 832	2 438	4 685	7 784	910	1 887	0	0	0	0	139 709
21	Quarry	61 459	8 965	22 476	15 728	4 750	9 146	0	0	0	527	0	17 834	0	140 885
22	Agricultural & rural Workers	1 336 317	944 806	110 969	1 470 332	655 544	745 674	297 087	332 089	504 939	549 207	4 667	389 261	304 194	7 645 086
23	Sugar	125 176	43 212	5 185	5 775	23 997	90	1 394	0	60	0	0	0	0	204 889
24	Cement	14 289	15 606	4 025	1 940	17 517	338	303	0	344	0	0	0	0	54 362

S. No.	Name of industry	Central trade union organizations													TOTAL
		BMS	INTUC	CITU	AITUC	HMS	UTUC (LS)	LPF	UTUC	AICCTU	TUCC	NFITU-KOL	NFITU-DHN	SEWA	
25	Chemicals	36 709	29 737	14 156	20 802	5 555	1 899	442	245	464	43	29	0	7 511	117 592
26	Building & construction	265 225	62 413	354 791	173 770	93 691	43 205	3 054	51 926	3 230	0	0	0	18 973	1 070 278
27	Food & drinks	103 569	17 338	74 444	48 063	31 909	16 088	243	3 203	402	0	1 020	881	2 430	299 590
28	Tobacco (beedi)	572 376	44 814	189 585	244 675	496 401	176 128	1 486	28 900	1 357	39 152	861	0	43 887	1 839 622
29	Tobacco (ors.)	525	1 093	7 013	51	2 178	0	0	2 997	0	0	0	0	0	13 857
30	Tanneries & leather	12 185	5 054	1 768	14 136	6 727	10 548	245	0	1 798	0	0	0	96	52 557
31	Paper and paper products	13 645	8 356	9 570	2 764	63	1 463	395	0	595	0	245	0	156	37 252
32	Printing & publishing	14 788	6 146	2 916	2 027	11 767	12 663	505	1 980	1 261	0	43	0	100	54 196
33	Local bodies	109 135	40 815	64 366	31 679	29 429	12 237	165	1 240	10 398	171	0	0	0	299 635
34	Glass & potteries	4 226	2 474	2 813	1 615	1 711	1 595	0	0	0	0	0	0	92	14 526
35	Petroleum	29 326	12 641	13 745	23 987	657	0	0	0	365	0	0	1 577	0	82 298
36	Salaried employees & professional workers	218 970	97 486	243 791	135 294	36 938	9 659	6 334	4 869	349	28 492	0	0	8 792	790 974
37	P & T workers	77 284	15 408	0	0	0	0	1 426	0	0	0	0	0	0	94 118
38	Hotel & restaurant	58 895	3 939	7 851	4 703	4 030	89	710	115	1 610	2 807	0	0	1 867	86 616
39	Hospital & dispensaries	44 498	28 988	7 327	3 637	3 669	16 542	258	139	875	0	0	0	0	105 933
40	Personnel services	116 549	27 596	237 949	22 455	23 065	9 567	0	1 523	441	0	0	0	7 603	446 748
41	Financial institutions	102 194	27 964	7 171	0	310	495	915	0	0	0	0	0	0	139 049
42	Port & dock workers	4 027	13 826	40 310	16 384	81 677	27	0	150	0	0	0	0	0	156 401
43	Coir	800	249	59 580	7 834	0	2 493	0	1 410	0	0	43	0	25	72 434
44	Brick kiln	87 961	6 617	68 413	222 941	14 000	8 684	0	15 593	485	27 379	0	5 638	7	457 718
45	Wood plywood	20 422	776	5 965	1 817	5 230	767	0	1 706	0	0	838	0	1 054	38 575
46	Rubber products	4 837	3 457	10 858	1 850	958	9 460	0	0	0	0	0	0	0	31 420
47	Pencil industry	677	0	0	0	0	0	0	0	0	0	0	0	0	677
48	Soap & detergent	981	300	26	0	0	0	0	0	0	0	0	0	3	1 310
49	Self-employed	33 111	7 229	959	19 757	25	12 124	0	3 757	1 955	34 097	0	0	57 528	170 542
50	Miscellaneous	441 984	362 861	54 082	15 158	56 589	6 076	8 823	90	1 165	17 324	0	0	64 392	1 028 544
	TOTAL	6 215 797	3 954 012	2 678 473	3 442 239	3 338 491	1 373 268	611 506	606 935	639 962	732 760	33 620	569 599	688 140	24 884 802

Source: Govt. of India: *Order of verification of membership of trade unions affiliated to CTUOs, as of 31 Dec. 2002* (New Delhi, MoLE, 2008).



## **The growth and decline of political unionism in India: The need for a paradigm shift**

“Political unionism” is characterized as a labour movement heavily influenced by ideology-based political activities, such as a struggle for national independence, grass-roots mobilization for or against government policies, involvement in party politics, the launching of election campaigns and even union rivalry by political affiliation. “Political unionism in India” emerged and grew in a similar way. It evolved during the struggle for national independence and gained further strengths in the post-independence era that saw dramatic changes in the political regimes and rapid industrialization. Political unionism initially played a vital role in the economic and social transformation of the country, but it has not fully succeeded in adapting to new challenges emerging from the globalizing economy. This publication analyzes the weaknesses of political unionism in India through various dimensions. Then, it proposes a new paradigm shift towards “service-based unionism”, suitable for the new working environment shaped by changing employment patterns and industrial relations dynamics and for meeting the interests of the workers, especially in the informal economy.

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