CHAPTER 5

Trade Unions and Employers Federation
TRADE UNIONS AND EMPLOYERS FEDERATIONS

MEANING OF TRADE UNION

It is very difficult to define trade union because it is a complex institution having many aspects as economic, psychological and political. Another reason for not having any precise definition of trade union is that one of its characteristics is its adaptability. The nature of unionism changes as the environment changes. This characteristic of trade union has resulted in many definitions which give some idea of the phenomenon. In socialist economy it is said that there are no normal activities of trade union. In a democracy trade union acts as a political pressure group or a wing of some political party. In a Communist country trade union acts as a department of Government.

Trade union means any combination, whether temporary or permanent, formed.

- Primarily for the purpose of regulating the relations (a) between workmen and employers, or (b) between workmen and workmen or (c) between employers and employers.

- For imposing restrictive conditions on the conduct of any trade or business

The definition of trade union as given by Sidney and Beatrice Webb can be considered as a good definition. According to the Webbs "a trade union is a continuous association of wage earners for
the purpose of maintaining or imposing the conditions of their working lines."

Indian Trade Union Act defines a trade union as "any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers, or between workmen and workmen or between employers and employers or for imposing any restrictive conditions on the conduct of any trade or business and includes any federations of two or more unions."

A few other definitions may also be considered here.

"A union is a continuing, long term association of employees formed and maintained for the specific purpose of advancing and protecting the interest of members in their working relationship."

- Dale Yoder.

"Trade unions are essentially association of workers formed to safeguard and improve the working conditions of their members and more generally to raise their status and promote their vocational interest."

- Richardson.

"A trade union is monopolistic combination of wage earners who as individual producers are complementary to one another but who stand to employers in a relation of dependence for the sale of their labour and even for its
production, and that the general purpose of association is in view of that dependence to strengthen their power to bargain with the employers or bargaining collectively."

- J. Cunison.

An examination of these definitions shows the different persons have defined a trade union in a different way. In brief, it is an organisation, which is a combination of various types of industrial workers formed with the objectives of the regulation of the relations between labour and their management or between workers themselves for attaining benefits for its members. Thus trade union is an important element of labour - management relation, and industrial democracy. It safeguards and promotes the interest of workers and improves their working and living conditions. It also improves the status of its members.[1]

**IMPORTANCE OF TRADE UNIONS**

The trade unions should work as a force to do such things which will give maximum benefit to society. They should try to eliminate the social ills of mankind.

In the developed countries of the world trade unions have played a very important role in the social, political, civic and economic life of the people.

In the socialist economy trade union mainly contributes towards

raising the productivity of labour, improvement in quality of production, assisting in the fusion of technical progress and participating in planning and regulation of wages.

In the capitalist economy, trade union aims at maintaining and improving wages, hours and conditions of work. They also aim at full employment, collective bargaining and defending the rights of workers.

In our country, the role of trade unions has been more or less limited with in the industrial area only. It has not touched other spheres of life. Trade unions are expected to assist the government in executing their plans in order to promote the interest of members. They have been granted sufficient protection and legal validity by Indian Trade Union Act 1926. In our country they mainly work for ensuring better wages, bonus, better working and living conditions and improving status of their members. They also work for increasing self confidence, better participation, social security and improving employees morale. In fact the trade unions in our country have a much more vital role to play for the achievement of industrial democracy, economic stability and socialist pattern of welfare of the state.

Three main national unions have given their views regarding the role of trade unions in different ways.

According to All Indian Trade Union Congress (AITUC) -

"A trade union is an organisation of working class in its struggle against all pervading power of the capitalist class. It has to struggle
with employers in order to secure better living and working conditions and to serve the right of the working class in the given capitalistic society to mitigate the burden of exploitation. In its struggle, it uses economic, political, moral and ideological means to attain its demand and objectives. The ultimate aim of the trade union movement is to abolish capitalism and wage slavery and establish socialism in which not only the working class but all layers of society are freed from exploitation."

According to the Indian National Trade Union Congress (INTUC)

(i) Union should serve their membership and cater to the money-sided requirements of workers as responsible citizens.

(ii) Union should plan for the interests of their members during times of industrial peace by organising intellectual, social, cultural and recreational activities, consumer co-operatives, credit co-operatives and co-operative housing societies.

(iii) Union should educate the rank and file so that the traditional agitational role should gradually be transformed into one of by understanding. Unions should be given an effective role in the affairs of the industry.

According to the Hind Mazdoor Sabha (HMS) -

"If trade unions allow themselves to be diverted from their traditional role in the name of requirements of economic development,
the weaker and exploited sections of the working class will find themselves terrorised and deprived of safeguard to an even greater extent."

The National Commission on Labour enumerated some social roles of unions as "promotion of national integration, influencing the socio-economic policies of the community through active participation in their formulation at various levels and instilling in their members a sense of responsibility towards industry and community."

To fulfill all these responsibilities trade unions require sufficient internal strength. Trade unions can play a very important role for maintaining industrial peace and a congenial atmosphere in the industry." They also play an important role in removing indiscipline and ignorance of the workers. They increase productivity of employees. Strong trade unions help in the economic development of the country. Thus trade unions have a constructive role to play in the context of our country.[1]

**OBJECTIVES OF TRADE UNIONS**

The main object of trade union is to do the best in the interest of their members and to safeguard them from the world of capitalist and exploiters.

Trade unions are responsible not only for the economic problems of their workers but they are also responsible for their social and cultural

Trade Union Leadership in India - Santosh Sood.
Trade Unions in India - Growth and Recognition - P. P. Arya.
development. Trade unions aim at raising the moral and intellectual standard of labour with the purpose of giving them dignified position in the society. The trade union should lead its members on the right path but as a part and parcel of the production process, not as enemies of the management or the society.

Trade unions should educate, guide and train their members in such a way that they are able to contribute their best for the achievement of the objectives of the enterprise. But when management puts into practice the anti labour policies which cannot be corrected by any other means and negotiations, it would become necessary for the trade union leaders to pressurise management to correct their error.

The objectives of Trade Unions can be summarised as follows:-

- To make employees in a position to meet the employers on equal footing.
- To induce the spirit of self respect and self reliance in workers. This helps in character building.
- To help the employees in getting fair wages on the basis of actual work done.
- To pressurise the employer to provide better facilities to employees.
- To present the grievances of employees infront of employers.
- To organise the workers and to develop a spirit of co-operation among them.
To protect the right of free speech of employees.

To protect and further workers interests.

To develop the sense of responsibility among the workers towards industry and the community.

To secure the greater participation of workers in the management of enterprise.

To establish a socialist state.

To create harmonious labour management relations.

To educate and guide its members in the right direction to contribute their best for the achievement of the objectives of the enterprise.

To offer responsive co-operation in improving levels of production and productivity, discipline and high standard of quality.

To promote individual and collective welfare.

To participate in job regulation.

The objectives of trade unions are not static. They change with the changes in the economic and social set up in a country. The strength of the unions and the institutional setup of the society, in which they operate, also determine the objectives of the Unions.[11]

HISTORY OF TRADE UNIONS IN
LAL IMLI MILLS, KANPUR

The concept of trade unions in India has been derived from two different political systems which were germinated on foreign soil. While a set of trade unions drew their political ideology from the communism which swept over Russia in 1919, another set of trade unions were influenced by the socialism as witnessed by England and France, soon after the era of industrial revolution. The All India Trade Union Congress (AITUC) and Centre of Indian Trade Unions (CITU) became the labour wings of Communist Parties of India (CPI) and Communist Parties of India (Marxist) CPI(M) respectively. The Indian National Trade Union Congress (INTUC) and its allied unions and Hind Mazdoor Sabha (HMS) stood for socialistic policies under the banner of Congress and Socialist Party of India. With the advent of Bhartiya Janta Party (BJP) in the main political stream of the country, its labour wing emerged in the name of Bhartiya Majdoor Sangh (BMS). With the rapid industrialisation in India during the two world wars, the political parties formed these trade unions to carry on their political ideologies to the industrial workers.\[1\]

The above developments in the national scene affected Lal Imli also where in the early 40's almost all the trade unions except BMS (which came later) made entry. From the records available in Lal Imli it is difficult to trace the dates of the entry of these trade unions but their specific reference is found in the context of labour problems arising.

\[1\] Trade Union Leadership in India - Santosh Sood.
in the 40's. With the formation of Jan Sangh, the old version of BJP, BMS came to Lal Imli only in the 60's, when it made a very feeble beginning and was not enforced to reckon with, for quite some times.

The lose organisation of INTUC led to the formation of two unions, both using INTUC's banners, one headed by Late Mr. Subedar and the other one headed by Late Sri Surya Prasad Awasthi and Sri Jamuna Prasad Dixit. Round about the same time the HMS headed by Mr. Vimal Mehrotra made an entry in Lal Imli. However in the 80's a splinter group from HMS formed another union under Mr Ram Ji Tripathi. Curiously enough, with the decline of socialist party in India the HMS also started functioning under the banner of Congress which had INTUC as its main exponent in the field of labour.

Besides these unions, there has been a mushroom growth of trade unions in the Lal Imli, whose political ideology was not clear. They were more in the field of litigation than being the representation of the labour in regard to the day to day problems. It may be mentioned that in the adjudication proceeding before Shri K. K. Pandey in 1986, which culminated in Pandey Award, 47 trade unions made their appearance on behalf of their workers.[1]

[1] This matter is based on the interview with Mr. S. L. Bhagat, retired Chief Labour Officer of BIC and Late Mr. Jamuna Prasad Dixit, Labour Leader INTUC. (Questionnaire attached at the end Annexure No. VIII & VII.)
RECOGNITION OF TRADE UNIONS
INLAL IMLI, KANPUR

The interaction between the management and trade unions is generally based on the formal recognition which is accorded to the trade unions by the management. While no formal policy has ever been laid down either by the government or through an understanding at the apex level between the industry and the labour, the process of recognition has generally been motivated on the basis of business expediency. The concept of "one industry one union" prevailed in Bombay where Rashtriya Mazdoor Sangh became the only recognised union in textile industry. This concept did not travel in any other textile centre of the country.

The second concept "one union one factory" has also been followed loosely and the choice has fluctuated from one union to another depending on their power to bargain.

In the absence of any clear cut policy of recognition, the fortune of trade unions in Lal Imli has always been fluctuating depending on their numerical strength, quality of leadership and finally their bargaining strength. Political patronage to the labour unions is sometimes a decisive factor in this regard. In Lal Imli from early 40's, as the records show, no formal recognition to any union was granted by the management primarily because of the following reasons :-

☐ Absence of any national policy in this regard.
Loose organisation of trade unions as they never held their elections properly and, therefore, failed to show their membership.

Divergent functions of trade unions as some of them merely confined themselves to deal with the labour cases and not beyond that.

Lack of strong leadership in the trade unions.

Change in the ruling political parties in the state as well as in the centre.

Apathy of the labour department which never insisted on this aspect of recognition.

Lack of will on the part of management.

The multiunion system in Lal Imli worked both ways but ultimately caused a great harm to the mills. Every union in order to secure importance, raised all sorts of issues and started agitations. The other unions had to join them in order to preserve their identity and eventually the management had to face all the unions at one time. A study of the issue of bonus raised by INTUC in 1971, which was joined by other unions also, is an example as to how the system of multiunion has created chaos in the industry. As a matter of fact the rivalries among the trade unions force them to join hands with the INTUC as otherwise they would have lost their base amongst the workers. Although the strike fizzled out but its impact during its currency was severe. There is another adversity of the system as due to multiple trade unions it becomes difficult to negotiate a settlement as there is always a race for
establishing the hegemony of individual unions. This happened in strike of 1971, when the unions failed to agree jointly to a settlement offered by the management and ultimately had to eat humble pie at the hands of the management. It is no doubt true that the management can always find out some black sheep to sabotage the labour agitation from the back door but it is too costly an exercise which ultimately affects the working of the unit.^[1]

ADHERENCE OF THE TRADE UNIONS TO THE NATIONAL POLICIES

A close analysis of trends in industrial relation in the country clearly reveals that there has never been a national policy in this sphere. The textile industry had several centres in the country. Each centre has its own wage structure and problems relating to the mills situated in that particular region. In the early 80's when the Bombay textile industries were facing a long duration strike engineered by Dr. Duttasamata Union, the other centres were working peacefully without any grumbles. However, with every demand for wage increase in Bombay, similar demands followed in other centers but with different contents. When the management asked for rationalisation of work load, the contents and extents varied from centre to centre.^[1]

[1] This matter is based on the interview with
Mrs. Shubhashini Ali - TU Leader CITU.
Mr. R.K. Rawat - TU Leader Rashtriya Textile Mazdoor Union.
Mr. Vimal Mehrotra - TU Leader INTUC.
Mr. Dwarka Prasad - TU Leader BMS.
Mr. M. Y. Rehman - TU Leader Suti Mill Mazdoor Sabha.
Mr. A. K. Srivastava - Labour Officer, Lal Imli Mills, Kanpur.
(Questionnaire attached at the end Annexure No. V & I.)
In Lal Imli, the demand for the higher wages, perquisites and the counter demand for rationalisation of workload have never been on the pattern of Raymond's Mills situated at Bombay or even on the pattern of OCM of Punjab and Digjam of Baroda.

Since there are no other woollen mills in U.P., such demands have always been based on the particular conditions prevailing in Lal Imli.\[1\]

**LABOUR MANAGEMENT RELATIONS AND ITS SYNCHRONISATION WITH THE TRADE UNION POLICIES OF LAL IMLI MILLS, KANPUR**

The process of establishing link between the trade union and the management has always remained adversely affected due to the multiplicity of the trade unions in Lal Imli. It is almost impossible to keep meaningful contact with 47 trade unions operating in Lal Imli.

The only meaningful attempt to establish day to day contact with the labour has been done through floor level committees in which the representatives of labour in a particular department act together with departmental supervisors. Problems of the department are discussed and solutions are found out. In almost all the important departments, floor

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- Mr. Dwarka Prasad - TU Leader BMS.
- Mr. M. Y. Rehman - TU Leader Suti Mill Mazdoor Sabha.
- Mr. A. K. Srivastava - Labour Officer, Lal Imli Mills, Kanpur.

(Questionnaire attached at the end Annexure No. V & I.)
level committees have remained into existence and rendered useful services to the labour and the management. Based on the interviews of some senior officers of the company, it was revealed that in the year 1971 the rapport through the floor level committee played a significant role in setting a major strike on the issue of bonus. In the following years also, such committees proved highly useful in the matter of industrial relations.

Apart from the multiplicity of trade unions in Lal Imli, there are other reasons responsible for the failure of trade unions in synchronising with the national issues and policies. The concept of region cum industry has struck at the root of the manifestation of national policies in the regions. The unions have been concentrating mainly on two areas of activities i.e.

- Agitation and strikes for higher wages and bonus.
- Grievance against the disciplinary actions.

Almost in all the cases of industrial unrest during the last 50 years in Lal Imli, the causes have been confined mainly to the above two issues. Even during the freedom struggle, Kanpur industry never witnessed any major industrial unrest on national issues though Kanpur produced front rank labour leaders of national repute.

The reasons for this state of affairs are not far to see. Lack of clarity in regard to the labour policy in the political parties was responsible to a great extent. The so called most disciplined leftist unions
failed to import national issues to Lal Imli. INTUC remained a loose organisation without any coherent national labour policy. Professional leaders in the trade union treated the industrial relations as a commercial venture and solely depended on the monetary benefit earned through the settlement of labour cases. The commercial outlook of the labour leaders played a havoc with the Lal Imli. It was in this backdrop that most of the labour unions, inspite of their commitment to rationalise the work load while accepting the wage increase, backed out from their commitment successively from 1971 upto the present day. In the 80's when Bombay mills were carrying on a massive programme of rationalisation and an upward revision of work load, the Kanpur textile industry was still languishing because of the irresponsible labour leadership. While the findings of successive labour commission and wage board, appointed by the Government of India for textile industry had put the top most priorities for rationalisation and refixation of work load, the trade unions in Lal Imli played deaf to these vital needs of the hour.[1]

To summarise the position of the failure of trade unions in the areas of higher productivity, rationalisation, refixation of work load can be attributed to the following reasons :-

☐ Trade unions had outside leadership.

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Mrs. Shubhashini Ali - TU Leader CITU.
Mr R.K. Rawat - TU Leader Rashtriya Textile Mazdoor Union.
Mr. Vimal Mehrotra - TU Leader INTUC.
Mr. Dwarka Prasad - TU Leader BMS.
Mr. M. Y. Rehman - TU Leader Suti Mill Mazdoor Sabha.
Mr. A. K. Srivastava - Labour Officer, Lal Imli Mills, Kanpur.
(Questionnaire attached at the end Annexure No. V & I.)
They had inexperienced leadership.

There was lack of motivation.

There was lack of rapport between labour and labour unions and between trade unions and management.

They were not able to take bold decisions.

Certain defects in the Trade Union Act.

Mushroom growth of trade unions.

Apathy of the labour department

**EMPLOYER'S FEDERATION**

**MEANING**

Employer's federation can be defined as an association of employers formed with the purpose of promoting and protecting the interest of employers engaged in trade and industry.

In India, employers organisation was formed for the first time in 1875. The name of the organisation was Bombay Mill Owners Association. It was formed with the object of protecting commercial interest of its members and to promote good relations between them.

In 1887, the Indian Jute Mills Association (IUMA) was established on the same lines.

Various other employers organisations were established on the same pattern later on in respect of other industries like tea, sugar, engineering, cotton textiles, cement and paper.
The above mentioned organisations were concerned mainly with the protection of commercial interests of industrialists and traders in general.

These organisations were not concerned with labour management problems.

In the beginning of 20th century, to protect rights of employees, ILO was set up. After that Trade Union Act was passed in 1926 and Industrial Disputes Act was passed in 1929.

Enactment of these acts resulted in the realisation on the part of employers to coordinate their efforts and to tackle the labour problems collectively.

Keeping the above view points in consideration All India Organisation of Industrial Employers (AIOIE) and Employers Federation of India (EFI) came into existence in 1933.

After this in 1941, All India Manufacturers Organisation (AIMO) was established. It mainly consisted of indigenous enterpreneures.

In 1956, AIOE and EFI jointly constituted the Council of Indian Employers (CIE). With the emergence of the public sector concerns as a major group of employers a separate association called the Standing Conference of Public Enterprises (SCOPE) was formed and this has also become a member of the CIE [R. Bannerjee, "Industrial Relations in India", Industrial Relations, 32(5), Sept.-Oct. 1978, pp. 171-186]. CIE is a member of the International Organization of Employers at Brussels.

The Government of India has recognised the two central organisations, viz. EFI and AIOE, as representatives of employers in India. The employers' representatives have taken part in international/national labour conferences and have been members of bodies like the Minimum Wages Committee, Central Advisory Board, ESI Corporation and others appointed by the Central and State Governments.

**IMPORTANCE & OBJECTIVES**

The activities of employers federations are mainly related to safeguard the interest of employers. Employer's Federations are important from the following point of view.

- If government intends any new proposal for legislation, then these federations inform their members about it. They along with this also inform their members the decisions of tripartite meetings and other related matters.

- Employers federations play a very important role in industrial world by collecting data on wages, working conditions, welfare facilities etc. in the industries affiliated to them. After collecting data, they publish them in the form of reports for the benefit of members.

- Employer's federations have very important role to play in various committees setup by the government. They influence the formulation of industrial relation polices of the government. They are consulted by the Central Government in the formulation of
labour polices. They are also consulted at the drafting stage of industrial legislation.

The central employers organisations do not maintain active contracts with their trade unions counterparts. They also do not handle member's problems arising at the state level. Since both the organisations have a role to play in economic and social planning of the country it is felt that they have to work together to promote their respective interest and they should consider the interest of the community at large[1].

**APPLICABILITY OF EMPLOYERS FEDERATION IN LAL IMLI, KANPUR**

The collective bargaining, one of the main themes in the area of industrial relations, in due course of time embraced the employers also. Several apex bodies of the management of industrial units emerged soon after the World War II. Federation of Employers of India, Bombay Mills Owners Association and some of the labour wings of national chambers became the spokesmen of various industries.

Their main functions have been :-

- Bargaining on behalf of employers in major industrial unrest.
- Representation on behalf of industry to the central and respective state government.
- Collection of statistical informations.

The area of operations of these federations have been limited to metropolitan cities with concentration of industry. These apex bodies however could not leave much impact on cities like Kanpur which were catered by regional bodies.

In the case of Kanpur, in particular reference to Lal Imli Mills, the impact of apex bodies was never there.

The Employers Association of Northern India, with its head quarters at Kanpur, performed the role of such organisation in Kanpur as well as in the adjoining towns of Uttar Pradesh.

The ENI (abbreviated form of EANI) performed the following major role in the matter of industrial relations:

- Appearing and contesting labour cases on behalf of the mill.
- Negotiating the labour disputes.
- Maintenance of statistical information and circulating notes on the latest problems in the area.
- Making representation to the government in regard to the labour problems.

The role played by the ENI has been quite significant during the last 50 years of its existence. Apart from handling labour cases, ENI has been in forefront in negotiating wage fixation, reassignment of workload and other problems relating to industrial relations with the state government. In the tripartite conference held by the Government of Uttar
Pradesh for wage fixation in the year 1971, 1972, 1975, 1981, 1982, 1985, 1990, the ENI exclusively represented the textile industry of Kanpur including Lal Imli Mills. The minutes of meeting available in the office of ENI confirm the role of ENI in these important tripartite meetings.

The office bearers of ENI used to participate in negotiating labour settlement on behalf of the mills and as the record shows, it had a glorious innings to its credit. The ENI has been a very forceful exponent of the cause of the industry before the state and central government. Be it the hike in the electricity tariff or imposition of any tax on the industry, the ENI has been a front bench player.

If we look into annals of history, during the British regime, the ENI had lot of influence on the state government and used to be consulted on every important labour legislation.

With the passage of time, as the industry in Kanpur shrank and lost its glitter, the role of ENI has also been diluted and at present it has reduced to a position of legal council to fight out the legal cases on behalf of the mills. During the last 20 years, all textile mills including Lal Imli Mills have expanded their labour department and, therefore, the share of legal work of ENI has also been significantly reduced.[1]

[1] This matter is based on the interview with Mr. Dubey of ENI. (Questionnaire attached at the end Annexure No. VI.)