CHAPTER - 4

CHALLENGES FACING TRADE UNIONS: INDIA AND ODISHA
4.1 Global Trends

It is widely argued that current trends of 'globalisation' and 'post-Fordism' exert a destructive effect on trade unions across the world. According to the most extreme versions of this viewpoint, 'post-Fordism' transforms trade unions into outdated institutions. The term 'post-Fordism' is generally used to refer to developments such as: the organisational and technological changes that have taken place in industry; the influence of current international competition; changes in the labour market; the emergence of new forms of personnel management; the replacement of public property by private property; an increasing number of small companies (in particular in the services sector); and the perceived spread of a new, individualistic ideology.183 It is argued that the 'traditional' working class working in large factories is gradually disappearing, whereas the number of workers employed on fixed-term or part-time contracts is increasing, with employees no longer permanently to one work place. All these factors are seen as tending to reduce trade union membership and influence.

Trends Common to Former Socialist Countries

The second group of factors relate to a specific 'identity crisis' affecting the majority of trade unions in the former socialist countries of central and Eastern Europe. These unions have participated actively in the creation of the new political system in these countries, and this is regarded as having resulted as a conflict of loyalties: on the one hand, the unions have sought to retain their role as a 'defender' of the working class; while on the other, they have become the 'co-authors' of democracy and of capitalist and market-based relations. This situation, it is argued, has considerably impaired the identification of workers with trade unions.184

The history of the working class and the trade union movement is deeply rooted for the last two centuries since the process of industrialisation that has developed very unevenly in countries around the world and since the Industrial Revolution. Industrialisation proceeded under protective conditions with gradual shifts from labour intensive industries such as textiles and leather to capital intensive ones like engineering and capital goods. Protection of workers was often much enhanced as the state frequently became heavily involved in the economy as owner of strategic enterprises in the public sector. Under such circumstances, the trade union movement was favourably placed to build powerful positions in the collective bargaining process. The complete turnabout came in the 1980s. The process was fostered by ideological, neoliberal preferences for 'free market' and the assured 'laissez faire' character. Privatisation, liberalisation and

183 "Conflicting pluralism of Polish trade unions" (Konfliktowy pluralizm polskich związków zawodowych) is being prepared for publication by the Friedrich Ebert Foundation, Poland.
184 Juliusz Gardawski - "Problems facing the trade union movement analysed" - European industrial relations observatory on-line.
globalisation were the main aspects of these neoliberal policies pursued the world over. Since the 1990s, the capital has become more mobile and global, integrated and powerful while the trade union movement is getting fragmented and in many countries, it is getting weaker. This change had a deep impact on systems of industrial relations that had developed for decade in close cooperation with the state. The availability of cheap labour, including children and women labourers who were discriminated against, became crucial in the struggle to conquer international markets.

In the early days of the Industrial Revolution, the trade union movement attempted to build itself on an international level. The First International (1864– 76) brought together trade unions of different political shades. After the 1917 Russian Revolution, three main streams dominated the trade union movement as a whole:

- The Red Trade Unions International later known as the World Federation of Trade Unions (WFTU);
- The International Confederation of Free Trade Unions of the Social Democrats (ICFTU);
- The World Confederation of Labour (WCL).

With the collapse of the Soviet Union, WFTU has lost most of its strength and sadly it is now almost withering away. On the other hand, ICFTU and WCL have merged into one federation under a new name as the International Trade Union Confederation (ITUC) and many important federations like the CGT (France), COSATU (South Africa), and CUT (Brazil) are joining it. But there is little scope that the ICTU can stand up to oppose this attack on the working class or the trade union movement.

The world community should recognise the failure of the dominant neoliberal system. The hunger (food crises) is unprecedented in world history. This poverty is not the consequence of the ‘scarcity’ of human and material resources. This global economic system is based on the relentless accumulation of wealth in few hands and it feeds on social divisiveness between and within the countries. Against these global strategical onslaughts of the MNCs, Trade Unions need to build up an international network, not only among trade unions and within the trade union movement but also to strengthen the unity and solidarity with all social movements at the global level. A major thrust is required which brings together social movements and trade union movements together in all the major regions of the world in a common pursuit and commitments to the elimination of poverty, eradication of illiteracy and a lasting world peace in a New World Order.185

Globalization has proved a complex and multi-faceted process for workers around the world, as are the strategies they must develop to face its challenges. Verena Schmidt examines some of the crucial issues facing the trade union movement and how new policies are being shaped to improve alliance-building.

185. Padmanabhan Krishna Murthy- “Globalisation: New challenges to the working class and the trade union movement”, Foro Mundial de Alternativas (FMA).
international collaboration and the promotion of the adoption of international labour standards during this period.

It is found that increasingly trade unions are enlarging their agendas to include issues such as engaging with international organizations in order to influence their policies and organizing global campaigns and extending and deepening their cooperation at the transnational level. As a result, the Global Unions, consisting of the International Trade Union Confederation (ITUC), Global Union Federations (GUF) and the Trade Union Advisory Committee to the OECD (TUAC), are engaging with large international organizations such as the International Monetary Fund, the World Bank Group, the United Nations and their programmes and funds, the World Health Organization and the World Trade Organization. For instance, since the late 1990s, global union leaders have lobbied for inclusion of the ILO core labour standards in World Bank lending and procurement practices. This action has paid off. In May 2006 the International Finance Corporation (IFC) started requiring that all enterprises borrowing from the IFC abide by the core labour standards. Then in December 2006 the World Bank announced that it would extend the core labour standards requirement to public works projects financed by the International Bank for Reconstruction and Development and the International Development Association. The World Bank started including the core labour standards requirement in its procurement contracts in May 2007.

Verena Schmidt argues that building networks between trade unions along global production systems is an example of transnational cooperation. Unions have to deal with sophisticated human resource management strategies at a local level within global production systems. However, the concept of “value chains” also presents some opportunities for labour to benefit from these opportunities. Unions are developing strategies with a view to organizing and bargaining collectively along the value chains. Organizing along supply chains could be a way to move beyond existing North–South cooperation arrangements.

At the same time, one potential conflict of interest exists between workers of the global North and the global South when it comes to off-shoring and outsourcing. There is a need for active labour market strategies in the global North to avoid workers in the North bearing the cost of outsourcing.

Role of Trade Unions on issues of governance and accountability under globalization:

The enhanced coordination of productive activity between countries by multinationals highlights how the strength of corporate governance has increased in recent years despite the greater dispersion of production. In contrast, the impacts on labour of these value chain strategies, combined with the

reduced relevance of national labour legislation in many countries, has left gaps in labour rights. As unions are confronted with the growing influence of the private sector, many are concerned that, in some cases, voluntary corporate codes of conduct are not accompanied sufficiently strongly by measures of “accountability”.

The increasing integration of national economies in a single global market and the appearance of new world production systems are demanding stronger coordination of national and international trade union interests. This is a big challenge for trade unions that traditionally organize within a national context.

**Rules of Conduct for International Framework Agreements:**

International Framework Agreements are a key tool used by a number of unions to lay down the rules of conduct for transnational companies. Since they are negotiated jointly by national trade unions and GUFs and companies, they are an important instrument for dealing with some of the issues raised by globalization.

For example, this new framework of global governance enables the unions to intensify efforts to integrate sustainable development practices within their policies, both by lobbying international institutions and by building alliances with non-governmental organizations. If a MNE violates social and environmental norms, the GUFs can either react by initiating demonstrative action or they can take proactive steps by making an offer to negotiate with the corporation on relevant agreements.

**The ILO and international labour standards:**

International labour standards are an important catalyst in improving working conditions. While core labour standards must be respected in all member States of the ILO regardless of whether they have been ratified by the countries, the reality is very different. The international labour movement is mobilizing the international community to put pressure on those countries which do not respect the Core Conventions\(^{187}\) to make the necessary changes.

For example, the issue of private equity and hedge funds has been addressed recently by the international trade union movement. The Global Unions are calling for governments and international organizations to ensure proper regulation, taxation and transparency concerning the activities of private equity and hedge funds.

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\(^{187}\) Core Conventions of ILO are the eight conventions as "fundamental", covering subjects that are considered as fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.
It has been found that the trade unions have improved the situation of workers by enlarging the labour agenda and cooperation at international, transnational and national levels, as well as through their alliance-building with other civil society groups. The challenges of globalization can be met if the trade union movement continues to address new issues and adapt its organizational structures accordingly.

Decline in preference for Unions:
In many countries, employees have begun to view trade unions as an outdated institution and keep no place for union activities in their busy schedules. Developments like globalization, intensified competition, labour market changes, the replacement of the public sector by the private sector, modern HR management practices, the emergence of smaller and dynamic organizations and individualistic ideologies among employees have all contributed to a rapid decline in the preference for unions. Apparently, the present-day trade unions are facing multiple and complex challenges. We shall now see the challenges before contemporary trade unions.

Declining Memberships
Worldwide, there has been a declining trend in the membership of the unions. By and large, the same trend is being witnessed in India, particularly in the private sector. The growth of trade unions in India in its initial stages could be attributed to the interventionist policies of the erstwhile governments. For long, trade unions in India enjoyed several statutory protections that facilitated their growth and popularity. But, the economic reformist policies introduced by the Government of India in 1991 changed the priorities of the state and its attitude towards labour and its rights. Now, the unions no longer enjoy the same protection and patronage as they did before 1991. Investment preferences have overtaken the importance of labour protection in the policies of the central and state governments.

The regional overviews and illustrative country case studies from Asia, Latin America and Africa show how trade unions currently face difficult challenges. These include new management methods, the growing influence of the informal sector and casualisation of labour; and the ever larger participation of women workers who are currently not represented adequately by trade unions. These developments necessitate the exploration of possible strategies for the future. From the 1940's to the 1980's, the essential role of unions has remained unchanged. But the subsidiary elements of that role -- the accidents which attend its fulfillment, the strategy and techniques -- have changed enormously. Thus, the essential challenges facing unions in the 1940's and 1980's are quite different,

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188 Henk Thomas (Editor)-"Globalisation and Third World Trade Unions: The Challenge of Rapid Economic Change."
and the strength of those challenges and the force of the opposition we face are, I think, substantially greater.\textsuperscript{189}

International Trade Union Movement – Since the 1980s, we have witnessed the political breakthrough of neoliberalism with its massive wave of privatisations, deregulation of the financial sector and of employment relations, as well as the partial dismantling of social security systems. That wave was followed by the enormous expansion of financial markets, along with their speculative effects resulting in a long cycle of world economic crisis. The consequence lent to a great danger of a re-nationalisation of policy aims.

The uneven developments that characterise this period are marked by a global power shift: From the real economy and nation states towards global financial organisations; From labour to capital, the social balance of power established after the Second World War have been upset, with the collateral effect of a staggering rise in economic and social inequalities; From the industrialised countries of the North (United States, Europe/EU) and the emerging economies of the South (Brazil, Russia, India, China and South Africa-BRICS countries). Incidentally, dramatic weakening of the trade unions in northern hemisphere countries are found not being compensated by a corresponding strengthening of the unions in the countries of the South.

Finally, over the past 30 years we have witnessed unprecedented technological advances in the communication and transport sectors, a prerequisite for and a motor of the ongoing process of capitalist globalisation. The world’s ultimate colonisation is underway. It concerns the domination of the oceans (with a focus on raw materials), space and of the internet. In the digital world, this leads to a further shift of power from governments to companies.

As a result of these processes, capital is now in a position to internationalise itself as never before, while avoiding the pressure of trade unions and of progressive political forces at the level of the individual nation states. Capital is therefore no longer interested in social and political compromises; it breeds outright authoritarian hegemony. Mark Carney, Governor, Bank of England issues strong critique of London behaviour and warns of growing sense that basic social contract is breaking down and also warns that capitalism shall be doomed if ethics vanish. ‘We simply cannot take the capitalist system for granted,’ says Carney.\textsuperscript{190}

‘Capitalism is at risk of destroying itself unless bankers realise they have an obligation to create a fairer society’, the Bank of England governor has warned. Mark Carney said bankers had operated a


\textsuperscript{190}Banking News Bulletin from All India Bank Employees’ Association-3 June, 2014.
"heads-I-win-tails-you-lose" system. He questioned whether traders met ethical standards and said that those who failed to meet high professional standards should face ostracism.

Speaking at a City conference, the Bank's governor warned that there was a growing sense that the basic social contract at the heart of capitalism was breaking down amid rising inequality. "We simply cannot take the capitalist system, which produces such plenty and so many solutions, for granted. Prosperity requires not just investment in economic capital, but investment in social capital."

In a strongly worded critique of City behaviour in the run-up to the financial crisis, Carney said market radicalism and light-touch regulation had eroded fair capitalism, while scandals such as the rigging of Labour Markets had undermined trust in the financial system.

"Just as any revolution eats its children, unchecked market fundamentalism can devour the social capital essential for the long-term dynamism of capitalism itself. To counteract this tendency, individuals and their firms must have a sense of their responsibilities for the broader system," Carney told delegates at a conference on inclusive capitalism in London.

"All ideologies are prone to extremes. Capitalism loses its sense of moderation when the belief in the power of the market enters the realm of faith. In the decades prior to the crisis such radicalism came to dominate economic ideas and became a pattern of social behaviour." The governor added that policymakers and regulators in the UK and internationally were addressing ways of making the system fairer and of limiting the likelihood of a future financial crisis through reforms.

"Consideration should be given to developing principles of fair markets, codes of conduct for specific markets, and even regulatory obligations within this framework. There should be clear consequences including professional ostracism for failing to meet these standards."

He said G-20 leaders and international regulators on the Financial Stability Board were working to resolve the issue of financial institutions that were "too big to fail", a problem which left taxpayers with a huge bill at the onset of the crisis in 2008.

In such a context, times are hard for the international trade union movement; much harder than they were 25 years ago. The challenges are even more gigantic. We are facing immense responsibilities given the political inability of nation states to control international capital, the sentiment of helplessness, the frustrations spreading among peoples resulting in the rise of xenophobic and right-wing populist forces.

However, all of that must not lead us to surrender to despair. We must, instead, face up to realities while following the adage of Antonio Gramsci, one of the grandfathers of the European labour movement, who said: "We must combine the pessimism of reason with the optimism of willpower."

He says; 'Another world is possible'. We can draw inspiration from the "best practices" in our struggles. The 'Sport campaigns' around infrastructure construction work for big events that BWI
started with the Soccer championship in South Africa and now continues in Brazil, Russia and Qatar are examples for highly visible international trade union solidarity campaigns. These campaigns have resulted in better working conditions and also growing trade union membership. Thanks to the campaign in Brazil, our membership has since doubled in recent years. These are encouraging international examples to organise the trade union counter-offensive, which is necessary and urgent for a radical change of course. Such a change can be achieved if our movement is determined in confronting the following challenges.

The Eight Challenges of the International Trade Union Movement

A) We must arm ourselves with a vision and a programme for an alternative globalisation, based on equality, social justice and sustainable development, as is the case at this Congress with the “2014-2017 Strategic Plan”. We must also – at least at the continental level – formulate our demands and the measures to achieve them, so as to win the hearts and minds of workers in a dynamic process of mobilisation. Negotiations at the bargaining table without strong pressure from below, which have hitherto characterised the action of many of our affiliates, will no longer be enough to enable us to advance. That’s why we must rediscover bottom-up trade unionism, anchored firmly in the workplace and with committed activists who are willing to take risks!

B) The question of power must be a factor of our foremost concern: the power that is slipping away from nation states and trade unions must be regained by our movement at the continental and global levels. In today’s circumstances that seems utopian; but however difficult it may be to resolve, it remains a key question. The tendency towards national isolationism is being increasingly felt, even within the already weakened trade unions, especially in those parts of the world – like Europe – that have been hit hard by the economic crisis. Mass unemployment, mounting inequalities between countries, differences in trade-union cultures, and unfortunately also the nationalist prejudices inherited from the traumatic history of the twentieth century are the causes. The task is to build and expand international union networks that are well rooted in each national reality. The opportunities offered by the new digital world should be fully seized for that purpose, especially in our cross-border campaigns.

C) Such leverage will also serve to strengthen the influence we can exert on international organisations like the United Nations (UN), the International Labour Organisation (ILO), the World Trade Organisation (WTO), the World Bank, etc. This pressure should also be directed to regional organisations like the EU. The union campaigns, in connection with the infrastructure projects for major sporting events like the Football World Cups in Brazil, Russia and Qatar are signalling the way forward.
D) The weakening role of nation states means that trade unions must engage in an incisive battle for the democratisation of the supranational institutions. In Europe, the ETUC and its national affiliates today are fighting for a democratisation and coordination of economic policy. This must include a shift of decision making power from the Council of the European Union (representing the governments EU member states) to the directly elected European Parliament. Confronted by the EU’s extremely anti-social bias, the triple fight that lies ahead of us is that of:
- defending acquired social rights at the national level;
- reversing the socially destructive neoliberal austerity policies produced in the Brussels institutions;
- working for the democratisation of the existing power structures, in opposition to increasingly authoritarian practices.

E) The economic and social development of the “emerging economies” should help to raise the rate of unionisation, presently at 7 percent worldwide. In Europe, where the big battalions of the organised working class have traditionally been found, trade unions have been losing many members— for a long time now, and in a lot of countries. We must do all we can to pursue an organising offensive in the countries of The South.

F) In the building and wood industries, where precarious employment and the informal economy are particularly widespread, it is necessary to develop new forms of union organisation. “Best practices” already exist for the unionisation of women, migrant workers, and the self-employed. In Switzerland 50 percent of the 200’000 Members of the trade union UNIA have a foreign passport. The successful recruitment of migrant workers was achieved through trade union full time officials who were migrants, and trade union structures that allow migrants to meet and discuss their specific problems while at the same time being able to fully engage in the organisation as a whole.

G) We are, unfortunately, no longer in the era of social partnership and social peace that followed the Second World War in Europe. Faced by the “top-down class struggle” shamelessly pursued by international capital, a revived, combative trade unionism represents our only hope of survival and fulfillment. Strategic campaigns, cross border solidarity and global protest against inhuman working conditions for construction workers at mega-sport events or other huge infrastructure investments, like the Panama Canal expansion project, new motor highway construction in south-east Europe or hydro dams like the Bujagali dam in Uganda are steps towards international trade unionism and must be vigorously supported by activists. International Framework agreements with multinational companies have proven useful instruments in strengthening our national affiliates and help them in their struggle for decent work for their members at this huge often publicly funded construction projects.
I would not fail to mention what I consider to be our most urgent task: that of fostering the emergence of a new generation of young trade unionists, who know how to internalise our movement’s values of “liberty, equality, and fraternity”, are imbued with the spirit of internationalism, consider trade union work to be a mission and not just a job. “Light in Our Minds – Fire in Our Hearts!” It is with these words from Herman Greulich, the founding father of the Swiss labour movement, that I pass the baton; I wish you all much courage and good luck in all the struggles that lie ahead.

The Crisis and the Response of the European Trade Unions

The unanimous political response to the crisis across Europe today is that of austerity and budgetary discipline. Cutting pay and social welfare, attacking bargaining mechanisms and making employment contracts ultra-flexible has become cardinal principles of the governments now. After successfully bailing out banks and adopting a first wave of economic recovery measures, the authorities of the European Union (EU) and its member states began to impose draconian, anti-social laws on trade union movement compiled Under: Columns and Interviews, Globalisation Tagged With: The Eight Challenges of The International Trade Union Movement.

Even in countries like India where the trade union movement has a tradition of more than a century of struggle and where it has been an important actor in defending workers’ rights and in struggling for independence and democracy, it is now facing tremendous hurdles. With imperialist globalisation, the emergence of a global economy and worldwide capital markets, the labour movement as a whole is facing great difficulties. The globalisation of poverty is accompanied by the reshaping of national economies of developing countries and the redefinition of their role in the new economic order.

The successive governments since the 1980s, be it the Congres Party and its allies (United Progressive Alliance - UPA) or the Bharatiya Janata party - BJP and its alliance (National Democratic Alliance - NDA), have adopted privatisation and liberalisation as the ‘mantras for development’, thus throwing open all sectors in the country to MNCs and to foreign investments—industry (basic infrastructure – power generation, minerals extraction, rail, transport, roads, etc.), agriculture, health, and education. Liberalisation has created thousands of Special Economic Zones.
Privatisation is invading all the public sector which constituted the pillar of the infrastructure for development built since 1947, with workers losing job security and contract labourers replacing them at very low wages and with no social guarantees.

The very fact that India is having a huge pool of unemployed and jobless youth, allows the MNCs to get cheap and often well-trained manpower even in the field of information technology. This explains the problem of outsourcing which is much talked about in the Western countries and where the trade unions in these countries have failed to educate their workers instead of putting workers of the developed and of developing world against each other. Women are drawn in the SEZs as they are paid cheaply and are often un-organised. No MNCs allow workers to constitute their collective bargaining organisation. In 2005, workers from the Honda factory in Gurgaon (just 50 km. from New Delhi) in Haryana, tried to form a union, and they were harassed by the management and the state police.

Every passing day, onslaughts on the workers are ever increasing. The two major Unions INTUC of the Congress and the BMS of the BJP are toeing their parties' political line and they are subscribing to the neoliberal policies pursued by their governments.

It is seen that the oppression and control of the labour organisation formed an important part of this neoliberal strategy of industrialisation.11

Meanwhile the Prime Minister's Economic Advisory Council in February 2001 submitted its recommendations on the next phase of reforms in agriculture, industry, trade, social infrastructure, economic infrastructure, financial sector and fiscal situation in the country. The Council recommendations included: remove all controls on the movement and stocking of agricultural commodities and allow the private sector, including the foreign investors; abolish levies on commodities like sugar and rice; lower the average import tariff from the present 34% to 12% by 2005; abolish reservation for small scale industries at least in select items of huge export potentials; abolish the requirement of government permission for closing down industrial units; increase compensation level for workers from 15 days wages for each year of services to 30 days; allow contract labour through a new law, recognizing outsourcing as a normal activity of companies; downsize the government by implementing the reports of the Expenditure Reform Commission; etc.

The Economic Survey 2001-02 has repeated almost all the economic diagnosis and nostrum of the two years' surveys implying that on the Indian economic scenario not much has changed during

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11 Pravin Sinha and Friedrich Ebert Stiftung-"Issues before the Indian Trade Union Movement".
1999-2000 to 2001-02. Domestic output and demand were affected by poor performance of the agriculture during the previous two years. The export growth suffered as well as industrial profitability due to low commodity and product prices globally, e.g. recent crises in the Indian Tea Plantations are caused by a steep fall in the price of tea on the world market.

It is evident that the industrial sector has been the focus of the economic reforms in India. The slowing down of the industrial production, particularly, during the last decade has been a cause of major concern. The reforms were expected to result in sustained high growth in industrial production. It was expected that, in keeping with the country’s comparative advantage, the structure of investment in industry would shift from capital to labour intensive industries. It was also expected that such a shift would provide for greater profitability and earnings growth, more export oriented production and greater employment opportunities in industry. However, progress in this direction has been limited after the initial growth. Employment growth has slowed down significantly during the 1990s relative to that of the 1980s. The sharpest decline had been in the organized sector and in particular in the public sector due to the ongoing trimming of employees through voluntary retirement schemes [VRS] and dis-investment exercises. The pace of dis-investment in PSUs by the government’s increased during 2001-02, in particular after the case relating to privatization of the Bhartiya Aluminum Company.

Employment:
The dominant features of employment and unemployment in India are typically those of less developed countries. There are low rates of open unemployment but much higher level of poverty. The poor can’t afford to remain unemployed. Consequently, nearly 33 per cent of the employed workforce in 1993 were poor [almost similar to the all India level], on the other hand only 18-19 per cent of those unemployed were poor. Implicated in this feature are higher rates of under-employment and low levels of productivity and income, as also open unemployed among those above the poverty line. Predominantly, a large proportion of the workforce employed in the agriculture and a very large proportion of those employed both in rural and urban sectors report themselves as self-employed or casual workers. Of late, however, there had been an increase in female work participation rates and an increase in the education level of the workforce. Unemployment of educated youth is gradually becoming a serious problem.

The Census on population in India is undertaken every ten years. The 1991 Census has classified workers into main workers and marginal workers. Main workers are those workers who work for 183 or more days while those who work for less than 183 days are defined as marginal workers. Accordingly, 285.9 million [91 per cent of the total workforce] are main workers and 28.2 million [about 9 per cent] were marginal workers. About 79 per cent of the workforce is resident in rural
areas. Among the main workers the proportion of rural workers was about 78 per cent and that of urban workers was 22.2 per cent. On the other hand, 95 per cent of the marginal workforce were in rural areas. Another aspect of Indian workforce is its classification into organized / formal and unorganized / informal sectors. By 1994 only 8.0 per cent of the total workforce constituted part of the organized sector whereas the unorganized sector accounted for 92.0 per cent. Agriculture and allied occupations is the single largest employer of the Indian workforce, about 99.2 per cent of which are in the unorganized sector. In the manufacturing sector also the workers in the unorganized sector account for almost 75 per cent of the workforce. Similarly, the 98 per cent of the workers in trade and commerce belong to the unorganized sector.

![Chart 1](chart1.png)

**Informal workers in organised non-farm activities**

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<th>Public, private organised sectors increasingly employ informal workers</th>
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<td>2004-05</td>
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<td>2009-10</td>
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<td>2011-12</td>
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![Chart 2](chart2.png)

**Contract workers in registered manufacturing**

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<th>Share of contract workers has increased sharply</th>
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<tr>
<td>Number of contract workers</td>
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<td>Share of contract workers (%)</td>
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Chart 1 provides data from various rounds of the NSSO employment surveys to show this. While the organised private sector in all non-agricultural activities has been heavily reliant on informal workers, who dominate and account for more than their work force, that proportion has remained largely stable and even declined slightly in recent years.

However, the public sector has more than doubled its reliance on informal workers since the mid-2000s, to the point where nearly a quarter of all workers in the public organised sector were informal in 2011-12.

But there is yet another way in which informal workers — those without any effective protection under law — are significant in formal economic activities, and that is through the growing use of contract workers. Contractualisation of work has become a pervasive feature of both public and private sectors in all three major sectors, and is particularly marked in mining, manufacturing industry and some services. Consider the data from the Annual Survey of Industries on the use of contract workers in registered manufacturing. Chart 2 indicates that the period since 1998-99 has seen a steady and significant increase in both numbers and share of such workers. This was especially marked since the mid-2000s.

So, in other words, during the period of economic boom when it might have been expected that there would be greater formalisation or work, Indian manufacturing was growing more reliant on the use of casual contract labour with few legal rights. This was obviously more marked in some sub-sectors within industry.

Chart 3 provides evidence on the changing proportion of contract workers to total over the past decade in some sectors where the use has been relatively high, using three averages for the periods 2002-03 to 2004-05 and 2009-10 to 2011-12. Registered mining and quarrying activities are among those that have used and continue to use the highest proportion of contract labour, well above two-thirds. But there is also some indication of dramatic increases in the relative use of contract workers in some other sub-sectors, most of all in tobacco, but also in chemical products and non-metallic metals industries. The transport sector in general — both motor vehicles and other transport equipment— also shows sharp rises, around doubling, of the relative importance of contract labour. For beverages the proportion of such workers appears to have come down somewhere, although contract workers are still half of all workers.

The prevailing conditions have led to development of dual labour market situations. The workers in the organized sector are fully protected through coverage by the labour laws, although they account for no more than 8 percent of the work. Incidentally, the majority of the workforce is employed in the government owned establishments. The labour in the unorganized sector is deprived of the benefits accruable under the various laws, primarily due to their informal nature of employment. Consequently, they face exploitation of various kinds. Women workers are the worst sufferers of this exploitation.

According to GOI's Planning Commission Study on Employment Generation during the 8th Five-year Plan, it has been estimated that the organized sector employment has grown at the rate of 0.36% as against planned 2.6% during the first two year of the plan period. It was also observed that the majority of the new employment created was in the category of self-employment. The annual growth rates for the remaining part of the 8th Plan period too had been far below the set target. Similar has been the experience during the 9th Plan period.

Trade Union Movement:

During 2001 the labour movement celebrated 100 years of its existence in India. During the centenary celebrations, various labour leaders narrated in great length contributions made by them and the Indian Trade Union Movement [ITUM] in the freedom struggle of India. Many of them have, furthermore, been glorifying their contribution in securing trade union rights and other benefits for workers in the organized sector. However, the ground realities show that in the years following India's independence, the ITUM membership has remained stagnant, if not declining. Its activities have been more or less confined to the organized sector, more so to the public sector enterprises — from where over 70% of its membership is drawn. The number of trade unions and their federation has expanded. Further the state ownership on the one hand and trade unions closeness to political parties made not only the unionization work but also made easier securing non-productivity related
financial benefits in the public sector establishments. With the onset of the liberalization process that included disbanding of the public sector and the coalition form of government, the ITUM capacity to influence political leadership in securing undue demands weakened, causing the Labour Movement to move from one stage of marginalization to the other.

Since the focus of ITUM was the workers in the organized sector, more so those employed in the government-owned establishments, the mass of workforce engaged in the unorganized sector remained not covered by the trade union movement. Consequently, over 90% of the workforce remained unaware of their rights as workers and as such were being exploited by their employers. Most of the times, the worker is not even aware of the employer's excesses. Long working hours, under payment are day-to-day affairs. The workers take these actions of their employers as fate.

The labour laws in India do not make a distinction between the organized and unorganized sector, and yet the resources of the government and trade unions are directed mainly towards this section of workforce. The real exploitation of the worker and his/her family takes place in the unorganized sector where unions are conspicuously absent. Of late, the international pressure and the shift of workforce from the organized to the unorganized sector, etc., have generated renewed interest in the unorganized sector. The government has repeatedly made announcements about its intention to shift the focus of its activities towards workers in the unorganized sector.

The trade unions too are now trying to penetrate the unorganized sector. All the major CTUOs have specific programmes aimed at enlisting membership of workers in the informal sector. There are some indications of workers being organized in agriculture, beedi, construction, fisheries, forestry, home-based workers, and etc. industries. However, enrolling a worker as a member can't be a sufficient indicator of unions' functioning / effectiveness.

The Indian Trade Union Movement is close to political parties, has a narrow support base there is a multiplicity of unions, centralized decision making, ad hoc management, external and personalized and power-oriented leadership, confrontationist attitudes, and non-existent second tier leadership.

Status of Workers' Rights:

The Constitution of India guarantees to all its citizens, individually and collectively, certain fundamental rights including the ones relating to equality of opportunity in employment and freedom of association. India has also the distinction of developing one of the most comprehensive labour laws in the world. Since labour is a concurrent subject, both the Central [federal] and State governments have enacted laws affecting the labour.

Over 200 laws [covering practically all aspects of workers' life including industrial relations, service conditions, wage and benefits, social security, etc.] have been enacted to secure reasonable working conditions particularly for workers in the unorganized sector as also to pre-empt their exploitation.
The government has, however, been over occupied with the organized sector as all their policies and programmes have been directed towards the workers in the organized sector. The Government, playing the role of a model employer, had ensured application of labour laws in all its establishments. The workers employed in the large private sector undertakings too have been in receipt of the legal benefits, although on a lower scale as compared to those employed in the public sector. For workers in the informal / unorganized sector as also of small scale units, it has been the case of frequent exploitation.

The 86th Session of the International Labour Conference [ILC] of the ILO on June 18th, 1998 adopted a “Declaration of Fundamental Principles and Rights at Work”, making it mandatory for member States to enforce provisions of Core Labour Conventions. Accordingly all member countries are required to submit a report on the progress made in implementing the principles enshrined in the aforesaid Conventions. India has ratified four out of eight Conventions. The government is taking steps to see that child labour conventions 138 and 182 are ratified while the one relating to Freedom of Association does need to be ratified as the same right has been guaranteed under the constitution.

**Issues before Trade Unions:**

Some of the important issues that are keeping the ITUM occupied include:

**A. Child Labour:** Article 24 of the Constitution of India prohibits the employment of children below the age of 14 years of age in any factory or mine. Furthermore, the Government has enacted the Child Labour [Prohibition and Regulation] Act of 1986, abolishing the employment of child labour in certain industries while regulating it in others. The GOI has also announced a National Policy on Child Labour in 1987 aimed at rehabilitating children after withdrawing them from prohibited employment. The GOI, during 2001, has made elementary education a fundamental right, making it mandatory for all children between 6 and 14 years to be in school. The employment of children, however, is widespread and touches almost all the industries in the unorganized sector. The estimated figure on child labour ranges between 12 to 110 million. The GOI claims that there are 11.6 million child workers only. Mass illiteracy and widespread poverty have been identified as major causes behind the existence of the child labour. Most of these children are subjected to the worst forms of exploitation.

**B. Trade Union Rights:** Article 19 of the Constitution of India guarantees freedom to form unions. The Trade Union Act, 1926 provided for the formation of trade unions by workers for redress of their grievances. As of now there are over 60,000 registered trade unions in the country. Most of them are affiliated to one or the other CTUOs.
However, there are certain categories of workers such as civil servants, police, army, etc. who are debarred from forming and/or joining a trade union. The groups not covered under the provisions of Trade Union Act have, nevertheless, formed their associations and are undertaking activities for and on behalf of its members and this includes going on strike, like e.g. the case of strike by Bihar Police in 2015.

In recent years, some of the state governments have imposed restrictions on the formation of unions, and, if formed, then on its functioning. For example, the state governments of Kerala and West Bengal had passed orders restricting the functioning of trade unions in 1999. The Haryana State government has, on November 8, 2000 passed order preventing its employees from going on strike.

C. Discrimination:

Article 16 provides that no citizen, on the ground of religion, race, caste, sex, etc. be discriminated against in respect of employment. The Payment of Wages Act as also the Minimum Wage Act does not make any distinction between male or female workers. Nevertheless, in practice, the provisions of law as also of the Constitution are openly flouted.

Workplace environment most adversely affects those on the margins of society. Beyond their disemployment effects on those whose labour is rendered submarginal by regulations on wages and working conditions, regulations in the workplace also exacerbate and perpetuate inequities. Discrimination against women and children while making their payment in informal sector is the ugly facts about the human social environment since time immemorial. Commentators and critics hypothesize that members of the dominant cultural and ethnic group have advantages stemming from their membership in the dominant ethnic group or socioeconomic class. Excepting the public sector undertaking and large private enterprises, there exist differential rates of payment for male and female workers. A child worker is also paid at half or 1/3rd the normal rate which may not be as prescribed in the schedule of the Minimum Wage Act.

D. Forced Labour:

Article 23 of the Constitution forbids forced labour of any kind. The Bonded labour (Abolition and Regulation) Act also forbids forced labour of any kind and as such the bonded labour System in India is stated to be formally abolished with effect from February 1976. However, various study on bonded labour in India show the practice continues. Urmi A Goswami of ET Bureau in her book "Bonded Labour System still a Reality" has stated that the government did its one and only survey in 1978, counting 343,000 bonded labourers in 16 states. Earlier that year, in the first-ever survey of bonded labour carried out in India, the Gandhi Peace Foundation and National Labour Institute counted 2.6 million bonded labourers in 10 states. The government stopped counting after
that, though it has said that it has rehabilitated 300,000 bonded labourers since the Act came into force. But in 2013, the International Labour Organisation (ILO) estimated 11.7 million bonded labourers in India. In recent years high incidences of bonded labour have been found in the states of Bihar, Madhya Pradesh, Orissa, and Uttar Pradesh. Other studies have also indicated that the plight of workers in the brick kilns and mines is no better than of slaves. That is also the case with those working in building and road construction, agriculture and plantation, stone quarries, and others comprising part of the unorganized sector.195

**The Influence of Globalization on ITUM:**

The increased economic activities with more players have caught trade unions off guard. The concepts of competition and individualism were alien issues as the national trade unions have been functioning in an environment of government monopoly and political party patronage. This is indicative from the fact that over 70 percent of the membership of trade unions, which is in any case confined to the organized sector representing less than 10 percent of the workforce, is drawn from government controlled corporations. The emerging scenario has thus further marginalized the already weak and fragmented Indian trade union movement. The changed role of the government, dis-investment in PSUs, voluntary retirement schemes, and above all the new form of politicking have jointly increased ineffectiveness of traditional unions which in turn are resulting in their declining membership. The declining industries such as textile, jute, etc. have also witnessed decline in the membership of unions such as the National Labour Organization (NLO); Rashtriya Mill Majdor Sangh (RMMS), etc.

Changing equations amongst political parties have led to a further marginalization of trade unions as well as their leaders. There have been declining trends in trade unions as far as the representative body of Indian workers is concerned. Intra and inter-unions' rivalry; conflicting interests of political parties of affiliation; ineffective and stale strategies; inconsistent policies and programmes; concentration of power in top leadership resulting indelayed and inconsistent reactions; politically biased motives, etc. have jointly led to declining powers of trade unions which in turn has resulted in distrust and revolt amongst rank and file.

The changing trends in trade unionism, particularly in jute, textile, pharmaceutical, telecom, etc. industries are indicative of this state of affairs. The employers and government, too, are finding it easier to sidetrack unions in the current multiple trade union environments with outside and politically supported leadership.

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195Pravin Sinha and Friedrich Ebert Stiftung-"Issues before the Indian Trade Union Movement"
4.2 New Trends in Trade Unions:

i. Emergence of Independent Unions:
The ineffectiveness of politically affiliated unions as also of CTUOs affiliated to one or other political parties have created conditions in which workers find their membership of unions of little practical use. In fact, the common feeling among member workers of being "used" by leaders for their personal or political interests is wide spread. The workers feel that the leaders and political parties are busy in scoring points over the rival groups despite the fact that their very survival, both, as worker and human being are at stake. This condition has led to the emergence of independent / unaffiliated trade unions, particularly, at plant levels, e.g. workers initiatives at Kanoria and Victoria Jute Mills (West Bengal); Kamani Tubes (Maharashtra); Madura Coats (Kerala); etc. The enterprise level independent unions are also functional at Siemens; Brooke Bond; Pfizer, and other multinational companies.

This is indicative of changing trends in the Indian trade unionism wherein, in some places, independent and affiliated plant level unions are successfully competing with the recognized and rather ineffective affiliated unions to represent the workers at a particular plant. In the process they are finding themselves more acceptable by workers as also by employers who find its demands and pattern of negotiation more reasonable and attuned to the existing situation in the organization / enterprise.

ii. Merger Moves:
Faced with a situation of declining membership and the fear of losing its relevance, the CTUOs are taking initiatives to fight unitedly. There have been many cases where the CTUOs, including those having affiliation to Left Parties, have joined together to fight for the cause of workers, e.g. against closure, dis-investment, privatization and / or modernization moves of NTC; banking and insurance sectors, etc. and these have produced some positive results. As a consequence there are moves for merger among CTUOs like AITUC and HMS. In this connection the HMS Executive Committee conveyed its acceptance to the AITUC proposal of merger. AITUC's General Secretary during the inaugural of AITUC's annual convention made public the intention of AITUC and HMS to merge. The issue of unification was discussed in the HMS Working Committee held on March 5-6, 1997. Subsequently, on March 18 the General Secretaries of AITUC and HMS addressed a joint rally of AITUC and HMS at Calcutta. AITUC's General Secretary further stated that other CTUOs, except BMS- affiliated to BJP, have also been approached for possible merger.

The merger move however failed, presumably because no agreement could be reached on its affiliation to international trade union bodies. Again on the occasion of the 27th Annual Convention,
the President of the INTUC on November 5 gave a call for the unity of the trade unions on the background of challenges posed by the globalization process. And on December 15th at the annual convention the AITUC office bearers called for a united trade union movement.

iii. Distancing from Affiliation with Political Party:
Recent developments have shown signs of unions trying to distance themselves from their affiliated political party. INTUC, for example, had opposed a number of policies of the federal government constituted by Congress (I), the party to which INTUC is affiliated. Similarly, INTUC's leader Arif Ali and CITU's leader Wazibur Rehman along with about 3000 workers at the Kanoria Jute Mill [Kolkata] deserted their respective unions to form Sangrami Shramik Union [SSU]. The union leaders are now publicly claiming to be independent of political parties. For example, the INTUC annual convention held at Ranchi in Jharkhand, where the office bearers repeatedly said that the INTUC is independent of Congress.

iv. Professionalizing TU Management:
To fight criticisms and also to face the organized forces of the Employers, the trade unions, particularly CTUOs, through various research institutions such as the Ambekar Institute of Labour Studies, Maniben Kara Institute, National Labour Institute etc., are trying to upgrade the quality of their leadership, personnel, as well as of services rendered. In their effort they are assisted by both national and international organizations, which include the Friedrich Ebert Stiftung.* The capacity building activities include training programmes on management, gender issues, labour laws, information technology, strategic planning, networking, leadership development, etc.

V. Democratization of Unions:
Until recently, the union's elections used to be the affairs of a limited group of people including political party workers. Labour leaders could manipulate things in the background of uninterested and unenlightened membership to maintain their leadership position. The changing scenario of India has, however, induced workers to be more assertive and militant. This is resulting in increased active participation of member workers, particularly young workers, in their trade union activities. This also implies that the functions and meetings of unions, now, have the participation of a larger percentage of workers. In the face of technological, economic, political and cultural change, trade unions across Europe face a genuine threat to their past achievements and their future capacity to act and shape industrial relations.196

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196 By Peter Leisink, Jim Van Leemput, Jacques Vilrokx (inbunden, 1996), The Challenges to Trade Unions in Europe—Innovation or Adaptation.
In this context some authors have examined the unions' strategic policies in seven European member states and at the European Union level, as well as their responses to the globalization. Using theoretical and historical analysis as well as up-to-date empirical research, they examine the successes of trade unions and their capacity to innovate in order to remain strategic actors in the industrial relations arena. In particular, the authors examine trade union policies responding to topical issues such as training, sustainable growth, flexibility, decentralization, deregulation and neo-liberal state policies.

MNEs operating in the Country with Special Concession given by the Government

Many of the M.N.E.s operating in India i.e. POSCO, MITTAL, HOONDA, etc. have been receiving concessions from the government of India as well as from the state governments. Concession in the land price, price for electricity and water is usual because the government is inviting multinational companies for Foreign Direct Investment. In their managerial policy, MNEs do not want the genuine Trade Unions to be registered or to grow. They have managed to generate the pro-management vested unions through their service providers and contractors. Most of the employees in the MNEs in India are not regular, as such the workers do not have real bargaining power.

Consultation Mechanism

The MNE managements do not respect the collective bargaining system. Consultation mechanisms in these industries are very poor particularly in the steel, Metal, Engineering and Automobile sectors. Agriculture workers, constructions workers, domestic workers, forest workers and the rural artisans have not been organized or unionised.

Challenge to Central Trade Unions

In spite of the fact that there are twelve Central Trade Unions working in the country, even today in India more than 80 percent of the workers have not been unionized, because after the globalization of economy many industries have come up in the private sector and many of the permanent and perennial nature of work have been outsourced. In the large scale and medium scale industries no new recruitment has taken place. 95 percent of the out-sourced, contractor and contractual workers have not been organized. Unorganized, Informal and self-employment sector is growing.

It is found that it is very difficult to organize and unionise the workers working in the private sector. The process to register a union is also very difficult because the Employer influences the registering authority. Sometimes the employers also threaten the activists and organizers through police and law and order authority. They also threaten to take away jobs if attempt is made to form unions in
informal/unorganized/private/agricultural sector. These phenomena throw great challenge to CTUs to venture for unionization in these areas.

**Challenges for Trade Unions in Banking Industry**

“At present, there are about 11 employee unions in India’s banking industry with close to 900,000 members. A majority of these employees are from the 27 public sector banks in the country. AIBEA has almost 50 percent of this number as members. However, in the last five years, AIBEA alone has lost about 100,000 members, mostly due to large-scale retirement in public sector banks, promotions of staff as officers, and reluctance of young staff to join”, says C. H. Venkatachalam, General Secretary, A.I.B.E.A.

There are many reasons for this alienation. Younger employees today are “more oriented towards their career development and quick opportunities to grow in the ranks”. G.D. Nadaf, former general secretary of All India Bank Officers Confederation argues that Besides, alternative banking channels such as cash machines, online and mobile banking, coupled with social networking and instant messaging, have reduced the effectiveness of bank strikes, and have further weakened the interest of young people in trade union activities.

There is also the fear that associating with a trade union could mar their careers. “We do become members of the unions and offer s subscription fee,” said a young executive, who joined as a probationary officer in a Mumbai-based state-run bank last year. “But we do not have time really to actively participate in their programmes. Further, this could be a negative in our career record.”

Traditionally, bank unions had a major say in most policy matters at state-run banks and decisions pertaining to staff, including the compensation and transfer policies. However, TUs have been increasingly losing their relevance in a fiercely competitive environment.

Moreover, in recent years, the managements of government-owned banks have adopted a stricter approach to control union activities and bring in a more professional approach among the employees, like the case of private and foreign banks which do not allow union activities. Further in August, 2012, State Bank of India (SBI) and in April, 2016 IDBI Bank have taken action against their officers engaged in trade union activities, including transfers to remote locations, suspensions and issuance of charge-sheets.

Competition from private banks, too, is forcing the state-run banks to push their employees for business generation and discourage them from organized union activities. Govt. banks say, “We are under immense pressure to build business and compete with banks in private and foreign segments.” As such “Trade unionism cannot be tolerated in this scenario.”

Though the employees in Government undertakings like railways, telegraph, defense factories, etc. are not barred from organizing unions, the staffs in Government Secretariat or Subordinates offices...
have no right to form unions. Hence, they form associations through which they put up their demands / grievances before the Government and hold negotiations or sometimes resort to strikes in various states forcing the governments to negotiate with them and enter into settlements conceding many of their demands.

Further, Since the new economic and industrial policy announced by the then Government in the year 1991, the successive central and state governments have always put labour reforms on their agenda. Though it has not been said specifically what they mean by Labour reforms, but they mean making the laws favourable to the employers. Their special focus appears to be mostly on making it easier for employers to fire workers and sometimes getting the regular work done through contract labour.

The Central and State governments are mostly bent upon amending the labour laws and calling them labour reforms which mostly benefit the employers. In their effort to woo the industrialists and especially the multinationals, the governments have declared their intentions to soften the laws to allow the industrialists to fire workers with established procedures and to employ workers on contract system.*

In fact a number of proposals have already been mooted by some of our Ministries i.e. labour ministry, textile ministry etc. to amend some of the labour laws so as to facilitate and legalize the long working hours (presently from 8 hours to 12 hours), allowing women to work in the night shift, longer notice period for strike, declaring industry to public utility service (so that no strike can take place), allowing contractorisation in perennial nature of work, closure of industries without seeking government permission, etc. So far, due to unions’ resistance, it has not been possible for the government to do so. The changes as proposed in the labour laws will have far reaching implications on the industrial relations pattern in our country in general and on the working class in particular.

The Trade Unions197 now-a-days present high demands on the state:

Bijay Bhusan Pati, President H.M.S Youth Committee, Odisha while Participating in ILO Training Programme demanded to widen the existing social security net and bring a comprehensive social security scheme for all workers, including workers in the unorganized sectors and improve the functioning of present social security schemes at all levels, 2-to include the provision of “Right to Employment” as a Fundamental Right in the constitution of India and provision for unemployment allowance in case of failure to provide jobs, 3-to prevail upon the government for immediate

* Moves are also afoot to ignore violations of the basic provisions of law regarding hours of work, weekly holidays, earned leave, health and safety, minimum wage etc.

197Bijay BhusanPati, President H.M.S Youth Committee, Odisha, India, Participant A-305068, ITC-ILO Training Programme.
enactment of comprehensive legislation for agricultural workers to guarantee minimum wage and to social protection to them and 4- to secure “Decent Work” for workers.

The following report of a union on the occasion of its Founding Conference speaks volumes where trade union movement stands and what are its activities in India and Odisha.

“Odisha is a land which has faced many problems with not just tribal but many other communities. They organised resistance against different forms of state’s anti-people policies. The strong nexus between the government and private bodies are working towards suppressing movements. They considered Birsa Munda, Karl Marx, Bhagat Singh, Savitribai Phule and Babasaheb Ambedkar as their icons. They claimed that the transition from a forum to a union was a historical step forward for the forest rights movement and had taken the struggle of the 150 million people of the forest based community to a new direction. They claimed it was a step forward that would intensify their demands for ownership rights on their land and natural resources.

They argued that the natural resources belonged to the larger society. To fight for the rights of the forest working community, they organized movements across South Asia and the rest of the world in order to widen the sphere of their struggles calling working people of the world to unite.

The union envisaged to keep women in leadership as its focus and to ensure their participation in all aspects of the struggle including that of ownership rights of natural resources. The basic principle was that non-violence. It sought to follow the constitutional framework and propagate a democratic way of functioning. The union was to strive towards ensuring livelihood, social and political security for forest working people.

It strived to work in solidarity with various struggles in the country like those against land acquisition, exploitation of women, Dalits and Tribals, the anti- displacement struggles, struggles for land rights demanding social security and other constitutional rights. They sought to bring to the forefront issues of the forest community like forest based livelihood, community rights on forest land, community forest governance, etc. Their struggle was not just for themselves but for environmental justice all over the world and for collective rights over natural resources.198

Tract of Trade Union-State Relationship

The relationship between labour unions and State in the developing countries is marked by the frequency of disagreement, the absence of transparency and sincerity in their dealing with each other, and lack of trust of any meaningful relationship between the two parties. According to Yesufu (1962:

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198 Report on the Founding Conference of the All India Union of Forest Working People (AIUFWP), 3-5th June, Town Hall, Puri, Odisha, India.
the workers are extremely distrustful of Government". While government very often goes back from its promises and statutory obligations based on signed agreements with the labour unions, the union leaders are sometimes guilty of complacency and militancy depending on the situation at hand. The absence of transparency and democracy in some union organizations as identified by Otobo (2006) could exacerbate union-government relationships. As a consequence, strains in relationship between the two parties, i.e. government and the labour unions, usually lead to constant industrial unrest with severe political and socio-economic repercussions.

Aristocratic Nature of Authority and the Union Leadership

The structure of most trade union organizations may appear to be democratic as the office bearers of the unions are elected. However, leadership succession is usually governed by grooming and a period of tutelage, when according to C. Wright Mills selective recruitment and ideological grooming or socialization into the elitist values is carried out. Furthermore, the unions are not immune from the effects of modernization on the larger society where rationalization of thought is increasingly gaining ground. Weber (1947) states that leadership becomes increasingly professionalized and the power is concentrated in elite with the modernization of society. According to Max Weber, the stability of bureaucratic organizations is also bedeviled by an "intransient" and "unanswerable elite" of power holders. The trade unions as bureaucratic organizations are affected by this structural malaise.

Rank and File Status

The rigid structure of power and its tendency towards oligarchic control of trade unions often leads to alienation, mass apathy and powerlessness among the rank and file members. This according to Mills (1956) makes it easy for the masses to be easily manipulated and exploited by the ruling elites who rule in their own interest. The estrangement that occurs leaves the masses of workers sullenly ignorant, powerless and molded by mass culture dictated by the ruling oligarchy. Weber in a similar vein argues that the concentration of power in the hands of bureaucratic elite puts enormous amount of "human, material and intellectual Resources" under its firm and rigid control. This leads to the entrenchment of power in the hands of the elite at the top of the hierarchical ladder of control. Moreover, intransient and unanswerable elite of labour leaders may, however, exercise power for

the good of the trade unions. A number of steps could be taken to ameliorate this situation, which could be in the interest of the Labour Union.

a) **Democratization of the Succession Process**: Opportunity for holding elective office or position in the unions must be open to all members irrespective of their physical or ideological proximity to those in control of the power apparatuses of the organization.203

b) **Transparency and Accountability**: The conduct of the business of the unions must be done in transparent and accountable methods. Otherwise the unions would become gullible to the corruptive influences of their social and political environments, especially from the hostile governmental authorities. In fact this fear was exercised by Lenin in his intellectual contribution to the debate on the intellectual capacities of trade unions to lead the workers to the Promised Land. The concern is with the usual attempts by the governments all over the world to incorporate the leadership of the unions through corruption, either by material inducement or by offering their members juicy positions in government organisation.

c) **Workers Education**: An intensification of educational opportunities and training especially among the rank and file will reduce ignorance, apathy and powerlessness. The emphasis must be on both liberal and technical education in order to keep the workers well-informed and up-to-date. It is to provide workers education generally so as to enhance the role of trade unions in the social and economic development of the country and equip trade union officials and managers with skills normally required for collective bargaining and joint consultation in fostering the growth of better labour and management relations.

**Decline in Union Density is the Biggest Challenge**

According to a recent analysis by Professor Bill Roche of University College, Dublin, the combination of a number of interrelated factors would appear to account for the decrease: they are-
The decline of some traditional - often highly unionised - manufacturing industries, and the expansion of new - often non-unionised - service and technology sectors; The growth in "atypical" forms of employment such as part-time and contract work; Rising skill and education levels in the workforce; Modest pay rises during most of the 1990s, Changes in state policy towards trade unions.

**Challenges and Opportunities for Trade Unions**

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There are number of major challenges and opportunities facing the trade union movement at the beginning of the 21st century. Significantly, the unions have not had much success in terms of organising and recruiting in the new service and technology-related sectors that have emerged across the European economy. Many of the organisations in these sectors are small and medium-sized enterprises (SMEs), and unions have been disinclined to promote recruitment drives in SMEs because of a perception that there is often very little payback in terms of the time and the resources that would have to be expended. To this end, a key strategic challenge facing the unions is how to organise and recruit in new growth sectors, and in SMEs.

A combination of factors have contributed to the fall of membership, including: the expansion in new, non-unionised, sectors of the economy; the growth of atypical forms of employment such as part-time and contract work; the changes in state policy towards trade unions; and a general hardening of employer attitudes towards union activity. Moreover, unions themselves have not yet been able to penetrate effectively the new expanding sectors of the economy. To this end, perhaps the biggest challenge is to organise and recruit new members in the new service sectors, and particularly so-called "atypical workers" and those who work in SMEs.

Problems of Trade Unions in India

1. Lack of Balanced Growth
Trade unions are often associated with big industries. A vast majority of the working population is without any union backing. The entire agricultural sector is highly unorganized in India. The agricultural workers are subject to all kinds of exploitation. The same is true with respect to those working in small scale and cottage industries. Lack of balanced growth of trade unions in all sectors is one of the major weakness of the trade union movement in India.

2. Low Membership
Trade Unions, with the exception of few have low membership. This is because many employees are not willing to join unions. The reasons for the hesitation of employees to join unions include, among others, the need to take part in strikes and such other programmes, fear of pay cut and fear of punishment.

3. Poor Financial Position
Low membership is one of the reasons for the poor financial position of the unions. Moreover, the subscription payable by every member is kept low. There are also not very many sources from which unions can get funds. The poor financial position can only weaken the trade union movement.

4. Political Control
Most popular trade unions in India are affiliated to big or small political parties. These political parties are only keen on making every grievance of the working class a political issue to attain political gains.

5. Multiplicity of Unions

Often there exists more than one union within the same industry each backed by a political party. These various unions have conflicting ideology.

**Burning Issues before Trade Unions**

Globalisation and liberalization have substantially influenced the nature of industrial relations (IR) policies being followed by employers, and reduced the power of trade unions. Corporations are seeking to exploit low-wage workers employed on short-term contracts. Such companies readily dismiss employees and transfer their operations from one place to another, seeking the least expensive location. This is the “low-road approach” leading to lower wages and lower productivity.

**The Global Market - Trade Unionism’s Greatest Challenge**

“Trade unions form part of the social movements in activating industrial democracy. For over a century and a half, trade unions have fought for the right to decent pay and conditions for men and women at their place of work and for improved social welfare in the areas of health care, education and social security. Generations of struggle for basic democratic rights at the workplace have resulted in the formation of ICFTU, a free trade union organization that now embraces 127 million men and women in 136 countries in all five continents. It is the largest single international movement advocating social justice, equality and human dignity.

The report of the 1996 Congress of the ICFTU analyses working and living conditions around the world and the impact of "globalization" on the lives of working people and their families. It also traces some of the key features of the global market economy whose power is challenging the ability of even the world's strongest nations to manage their development and improve the well-being of their citizens.

The World Social Summit in Copenhagen in March, 1995, confirmed that there is a global social crisis which must be tackled by new action within and between countries across a wide range of policy areas. Without a strong, free trade union movement able to express the aspirations of working people and negotiate with employers and governments to find solutions, social tensions will worsen with disastrous consequences for the world”.

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204 Sixteenth World Congress of the International Confederation of Free Trade Unions (ICFTU).

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Learning the Lessons of the Bhopal Tragedy

How many people died in the Bhopal gas leak and its aftermath? How many were injured? What are the long-term medical consequences of the worst industrial disaster in history? What are its lessons for the trade union movement as it prepares for action on environmental protection in the post-Rio era? These are questions that deeply concern trade unions. On December 3, 1984 a cloud of methyl isocyanate gas (MIC) escaped from the Union Carbide pesticide plant in Bhopal (India) killing at least 2,500 and injuring 200,000 people. There are now reports from Bhopal that 25,000 may since have died as a result of the leak. Large-scale illnesses caused by the gas leak are continuing. For many of those poor slum dwellers who survived the night when the 40 tonnes of MIC and other toxic gases escaped from the storage tank, life has become hell - completely debilitated and ravaged by the long-term inimical effects of the noxious gas.

Bhopal is synonymous with the absence of concern for the welfare and safety of workers and people in the surrounding community. It also underlines operations of unregulated multinational companies who are indifferent to the inadequate protection they provide for the most vulnerable people in the developing world. From the Kader fire in a toy factory in Thailand to the many industrial disasters in China, it has been the workers who have paid the price of globalization with their lives. The large multinational companies (MNCs) with an aggregate sales of over US $5 trillion must, like all employers, recognize their responsibility to provide adequate safety and health systems for the protection of their workers.

The TU movement faces challenges to tackle industrial disaster like Bhopal Gas Tragedy and to prepare itself for environmental protection in the post-rio era.

The Changing World of Work

For workers the phenomenon of globalization is changing the whole structure of their contractual relations with their employers in many different ways. It is also changing the role of the state and thus the tripartite relations between government, employers and unions. As a result unions face the challenge of finding new ways to influence and shape the now international environment that affects the labour market and new ways of bargaining with employers who are less interested in standardized collective agreements that fit into standardized systems of production.

Immediate Challenge before Indian TU Movement

The trade union movement in India now faces huge challenge to ensure arresting the spiraling price rise and to contain inflation; ban speculative forward trading in commodities; universalise and strengthen the Public Distribution System; ensure proper check on hoarding; rationalise, with a view to reduce the burden on people, the tax/duty/cess on petroleum products, massive investment in the...
infrastructure in order to stimulate the economy for job creation, increasing the plan and non-plan expenditure in the budget to stimulate jobs creation and guarantee consistent income to people, linking minimum wage to Consumer Price Index and guaranteeing it to all workers, taking into consideration the recommendations of the 15th Indian Labour Conference as enriched by Apex Court of the country as reiterated in 44th ILC in 2012 and in any case, it should not be less than Rs.15,000/- p.m., not allowing FDI in crucial sectors like defense production, telecommunications, railways, financial sector, retail trade, education, health and media, strengthening and expanding PSUs, pressurizing the Government not to go ahead for disinvestment of shares of profit making public sector units and for budgetary support for revival of potentially viable sick CPSUs, lifting the ban on recruitment in Govt. depts., PSUs and autonomous institutions (including recent Finance Ministry’s instruction to abolish those posts not filled for one year) as recommended by 43rd Session of Indian Labour Conference in view of huge job losses and mounting unemployment problem, scrapping of condition of surrender of posts in govt. departments and PSUs and creating new posts keeping in view the new work and increased workload, ensure extending the scope of MGNREGA to agriculture operations and employment for minimum period of 200 days with guaranteed statutory wage provision as unanimously recommended by 43rd Session of Indian Labour Conference, regularizing the massive workforce engaged in ICDS, Mid-day meal scheme, Vidya Volunteers, Guest Teachers, Siksha Mitra, Siksha Sahayak, the workers engaged in the Accredited Social Health Activities (ASHA) and other schemes, saying no to privatization of centrally funded schemes, ensuring Universalisation of ICDS as per Supreme Court directions by making adequate budgetary allocations, forcing the Government to take steps for removal of all restrictive provisions based on poverty line in respect of eligibility coverage of the schemes under the Unorganised Workers Social Security Act 2008 and for allocation of adequate resources for the National Fund for Unorganised Workers to provide for Social Security to all unorganized workers including the contract/casual and migrant workers in line with the recommendations of Parliamentary Standing Committee on Labour and also the 43rd Session of Indian Labour Conference, redefining the word BPL and redistributing the BPL cards at the earliest, ensuring Remunerative Prices for the agricultural produce and substantial augmentation of Govt. Investment/ public investment in agriculture sector as a proportion of GDP and total budgetary expenditure and ensuring that benefits of the increase reach the small, marginal and medium cultivators only; ensuring Budgetary provision for providing essential services including housing, public transport, sanitation, water, schools, creche health care etc. to workers in the new emerging industrial areas, ensuring to set up Working women’s hostels should where there is a concentration of women workers, ensuring requisite budgetary support for addressing crisis in traditional sectors like Jute, Textiles, Plantation, Handloom, Carpet and Coir,
etc., ensuring increase of Budgetary provision for elementary education, particularly in the context of the implementation of the ‘Right to Education’ as this is the most effective tool to combat child labour, forcing the Government to review the system of computation of Consumer Price Index as the present index is causing heavy financial loss to the workers and to raise Income Tax exemption ceiling for the salaried persons to Rs.5 lakh per annum and to exempt fringe benefits like housing, medical and educational facilities and running allowances from the income tax net in totality, to bring down threshold limit of 20 employees in EPF Scheme to 10 as recommended by CBT-EPF, to restore Pension benefits under EPS unilaterally withdrawn by the Govt., to increase the Govt. and Employers contribution to allow sustainability of Employees Pension Scheme and for provision of minimum pension of Rs.3000/- p.m., to withdraw New Pension Scheme and to cover newly recruited employees of central and state governments on or after 1.1.2004 under Old Pension Scheme; to merge Dearness Allowance with Pay as demanded by Central Govt. and PSUs employees, to protect all interests and social security of the domestic workers statutorily on the lines of the ILO Convention on domestic workers as it is the responsibility of the Finance Ministry under the Act and to rectify the several irregularities found in collection of Cess, to ensure increasing of taxes on luxury goods and reduce indirect taxes on essential commodities as at present the overwhelming majority of the populations are subjected to Indirect taxes that constitute 86% of the revenue, to take concrete steps to recover huge accumulated unpaid tax arrears which has already crossed more than Rs.5 lakh crore on direct and corporate tax account alone, and has been increasing at a geometric proportion, to continue, to unearth black money in the domestic sphere as well as in foreign countries and bring it to the exchequer by taking speedy action and to direct this money towards providing social security, to ensure recovery of more than Rupees 6 lakhs Crores of NPA of the Banking system from the willfully defaulting corporate and business houses, to enhance the of wealth tax, corporate tax, gift tax etc. and to bring ITES, outsourcing sector, Educational Institutions and Health Services etc. run on commercial basis under Service Tax net: and to stop banking sector reforms and privatisation of Banks.

Conclusion

The trends indicate that in the years to come the Indian labour market will be of dual nature. The rapidly growing Indian population would continue to expand the size of the workforce that already stands at about 400 million. The majority of the workforce would be unskilled/semi-skilled working
on a casual basis. The size of the casual workforce would be further enlarged by professionals and skilled workforce [particularly those employed in the information and technology and other emerging professional sectors] engaged on a job / time contract basis. Lifetime employment, single skill, etc. would increasingly become a distinct entity. The number of government employees would continue to fall, as the recommendation of the Government's various committees indicate. Consequently, the nature of the emerging labour market is expected to be contractual, multi-skills, flexible and knowledge-based.

No doubt that many of the employers have taken measures aimed at taking over the functions of trade unions. On the other hand the traditional manner of union functioning is proving to be futile in the emerging competitive industrial environment. Resultantly, unions have not only witnessed a decline in their membership but also are facing competition from non-affiliated / independent trade unions formed by former members of the affiliated unions. Nevertheless, it would be wrong to suggest that any group other than the unions themselves could effectively undertake the functions of trade unions, as the representative body of the working class.

The globalization is a testing period for all the social partners, even more so for trade unions since it is the worker on whose shoulder the major burden of this transitory period falls. The unions, therefore, would have to take a comprehensive approach in meeting the emerging challenges of the New India.

The Indian Trade Union Movement has a responsibility to ensure the application of trade union rights on all workers, irrespective of whether they are in the organized or unorganized sector. The unions should do away with their habit of living on the past glory and must be forward-looking. There is no alternative to systematic and professional management of the affairs of the unions. The unionism is a serious business and services proposed to be rendered are of continuous and crucial importance and such *ad hocism* in the management of union must go. The workers willing to become a member and to pay for the services would depend on the quality of services rendered by the union.

The primary function of a trade union, from workers' point of view, is to protect and fight against the violation of their legal rights in the light of current norms of fairness, equality and social justice. Unions are also expected to strive continually for a better deal for employees in respect of monetary rewards, working conditions and control over the work situation. The involvement of trade unions in the affairs of the larger community and in social and economic policies at various levels is no doubt important, but it is secondary to their primary responsibility regarding protecting the rights and interests of employees. Partial approaches cannot give hope of success to work and decent income for
men and women in widely differing markets. Multipronged strategies will be required which will call for a high degree of political determination.

In the wake of more than two decades during which the international stage was dominated by structural adjustment, balance of payments problems and debt burdens, with neglect of social issues and worsening of employment opportunities, it has been encouraging to note that the 1995 UNDP Global Social Summit adopted the global employment situation as one of its lead themes, along with poverty and social disintegration. This gives the trade union movement an opportunity to participate in defining the problems and searching for solutions.

Phenomena such as national and international migration, child-labour, social clauses- whether or not attached to international trade agreements- vulnerable and exploitative conditions of work in the informal sector and absence of safety nets provide only the beginning of any serious agenda to overcome huge problems which men, women and, too often, also children experience in the daily struggle to survive.

A list of policies would minimally include attention to appropriate macro-economic measures, human resource development, and technology enhancement in informal production system, labour market initiatives and a strengthening of male and female entrepreneurship in small and micro enterprises.

Somewhat ambitiously one might call such strategy the beginning of a new approach towards economic democracy. Only time will tell whether or not there will be scope to provide a viable new orientation to concepts such as industrial democracy and participatory work relations. Trade unions in its chequered history of development are confronted with challenges as great as, if not greater than, the labour movement has faced since the early days of the industrial revolution.206

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