

CHAPTER 41

TRADE UNIONS

41.1 Trade Unions are voluntary organization of Workers as well as Employers formed to protect and promote the interest of their members. They are the most suitable organizations for balancing and improving the relations between the employer and the employees. Trade Unions have made headway due to rapid industrial development. The workers come together to maintain and improve their bargaining power on wages and working conditions. The first organized Trade Union in India named as the Madras Labour Union was formed in the year 1918. From the beginning itself, Trade Unions were not confined to workers alone. From 19th Century itself there were Employer's associations in the form of Chamber of Commerce, Industrial Associations etc. to protect and promote the interests of their members in a concerted manner. After independence, expansion of industrial activity and grouping worker's Trade Unions acted as a spur for strengthening and expansion of employers' organization

41.2 In industrially advanced countries, trade unionism has made a great impact on the social, political and economic life. India, being an agricultural country, trade unionism is restricted to industrial areas and it is still in a stage of growth. The earliest known trade unions in India were the Bombay Millhand's Association formed in 1890, the Amalgamated Society of railway servants of India and Burma formed in 1897, Printers' Union formed in Calcutta in 1905, the Bombay Postal Union which was formed in 1907, the Kamgar Hitwardhak Sabha Bombay formed in 1910.

41.3 Trade Union movement began in India after the end of First World War. After a decade following the end of First World War the pressing need for the coordination of the activities of the individual unions was recognised. Thus, the All India Trade Union Congress was formed in 1920 on a National Basis, the Central Labour Board, Bombay and the Bengal Trades Union Federation was formed in 1922. The All India Railwaymen's Federation was formed in the same year and this was followed by the creation of both Provincial and Central federations of unions of postal and telegraph employees.

41.4 The origin of the passing of a Trade Unions Act in India was the historic Buckingham Mill case of 1940 in which the Madras High Court granted an interim injunction against the Strike Committee of the Madras Labour Union forbidding them to induce certain workers to break their contracts of employment by refusing to return to work. Trade Union leaders found that they were liable to prosecution and imprisonment for bona fide union activities and it was felt that some legislation for the protection of trade union was necessary. In March, 1921, Shri N. M. Joshi, then General Secretary of the All India Trade Union Congress, successfully moved a resolution in the Central Legislative Assembly recommending that Government should introduce legislation for the registration and protection of trade unions. Opposition from employers to the adoption of such a measure was, however, so great that it was not until 1926 that the Indian Trade Unions Act was passed.

41.5 Indian Trade Unions Bill, 1925 having been passed by the Legislature received its assent on 25th March, 1926. It came into force on

1st June, 1927 as the **Indian Trade Unions Act, 1926** (16 of 1926). By section 3 of the Indian Trade Unions (Amendment) Act, 1964 (38 of 1964) the word "Indian" has been omitted and now it is known as THE TRADE UNIONS ACT, 1926 (16 of 1926).

41.6 This act summarizes all modalities pertaining to registration of trade union to decision of trade related disputes. This act sets guidelines for both the workers and the industrialists. The Act deals with the registration of trade unions, their rights, their liabilities and responsibilities as well as ensures that their funds are utilised properly. It gives legal and corporate status to the registered trade unions. It also seeks to protect them from civil or criminal prosecution so that they could carry on their legitimate activities for the benefit of the working class. The Act is applicable not only to the union of workers but also to the association of employers. It extends to whole of India. Also, certain Acts, namely, the Societies Registration Act, 1860; the Co-operative Societies Act, 1912; and the Companies Act, 1956 shall not apply to any registered trade union, and that the registration of any such trade union under any such Act shall be void.

The main provisions made in this Act are as under:

41.7 **Trade Union:** Trade Union means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more trade unions.

41.8 **Registration of Trade Union:** The Act provides for the registration of the trade unions with the 'Registrars of Trade Unions' set up in different States. For registration of a trade union, seven or more members of the union can submit their application in the prescribed form to the Registrar of trade unions. The application shall be accompanied by a copy of the 'rules of the trade union' and a statement giving the following particulars:- (i) Names, occupations and addresses of the members making the application; (ii) The name of the trade union and the address of its head office; (iii) The titles, names, ages, addresses and occupations of the office bearers of the trade union as per the format given in the Act. The Registrar, on being satisfied that the Union has complied with all the requirements of this Act, registers the trade union.

41.9 **Registration Certificate:** On receipt of the application for registration, the Registrar issues a certificate of registration in the prescribed form as a conclusive evidence of registration of that trade Union.

41.10 Cancellation of Registration: A certificate of Registration may be withdrawn or cancelled by the Registrar either after an application of a Trade Union or if the Registrar is satisfied that the certificate is obtained by fraud or mistake or that the trade union had ceased to exist or willfully and after notice from the Registrar contravened any provisions of the Act or rules etc.

41.11 Annual Statutory Returns: The registered trade unions (workers & employers) are required to submit annual statutory returns to the Registrar regarding their membership, general funds, sources of income and items of expenditure and details of their assets and liabilities, which in turn submits a consolidated return of their state in the prescribed proforma to Labour Bureau, Ministry of Labour and Employment. The Labour Bureau on receiving the annual returns from different States/Union Territories consolidates the all India statistics and disseminates them through its publication entitled the 'Trade Unions in India' and its other regular publications. Every trade union shall send annual returns to the Registrar in triplicate on or before the 1st day of June of the year succeeding the calendar year.

41.12 Uses of Funds: The general funds of a registered trade union shall not be spent on any other objects than those specified in the Act. Also, a registered trade union may constitute a separate fund, from contributions separately levied for or made to that fund, for the promotion of the civic and political interest of its members. No member shall be compelled to contribute to such fund and a member who does not contribute to the said fund shall not be excluded from any benefits of the trade union.

41.13 Maintenance of Accounts: The account books of a registered trade union and the list of members thereof shall be open to inspection by an office-bearer or member of the trade union at such times as may be provided for in the rules of trade union.

41.14 Disqualification: A person shall be disqualified for being chosen as, and for being a member of, the executive or any other office-bearer or registered trade union if- (i) he has not attained the age of eighteen years; (ii) he has been convicted by a court in India of any offence involving moral turpitude and sentenced to imprisonment, unless a period of five years has elapsed since his release.

41.15 The Trade Unions Act 1926 has been amended from time to time and the most important being the Trade Unions (Amendment) Act, 2001. This Act has been enacted in order to bring more transparency and to provide greater support to trade unionism in India. Some of the salient features of the Trade Unions (Amendment) Act, 2001 are:-

- No trade union of workmen shall be registered unless at least 10% or 100, whichever is less, subject to a minimum of 7 workmen engaged or employed in the establishment or industry with which it is connected are the members of such trade union on the date of making of application for registration.
- A registered trade union of workmen shall at all times continue to have not less than 10% or 100 of the workmen, whichever is less, subject to a minimum of 7 persons engaged or employed in the establishment or industry with which it is connected, as its members.
- A provision for filing an appeal before the Industrial Tribunal / Labour Court in case of non-registration or for restoration of registration has been provided.
- All office bearers of a registered trade union, except not more than one-third of the total number of office bearers or five, whichever is less, shall be persons actually engaged or employed in the establishment or industry with which the trade union is connected.
- Minimum rate of subscription by members of the trade union is fixed at Rs 1 per annum for rural workers, three rupees per annum for workers in other unorganised sectors and Rs 12 rupees per annum in all other cases.
- The employees who have been retired or have been retrenched shall not be construed as outsiders for the purpose of holding an office in the trade union concerned.
- For the promotion of civic and political interest of its members, unions are authorized to set up separate political funds.

Growth of Trade Union(Workers & Employers Combined)

41.16 Latest available information for trade unions pertains to year 2008. As per the information available , number of registered trade unions have increased by about 31% in the ten years duration i.e. 1999-2008 to 84,642 registered unions. However compared to 2008 the number declined by about 12 per cent and the average membership per union declined from 1063 in 2007 to 986 in 2008. Out of the registered trade unions , only 9709 unions(11.47 per cent) have submitted returns during 2008 and amongst the States/UT's, the information has been furnished only by 13 states/UT's . On the basis of available information , Tamil Nadu accounted for the largest number of registered trade unions (8,793) followed by Rajasthan (4,593). Out of the total of 27,137 registered unions in the 13 states , as many as 27,063 unions (99.73

percent) were Workers Unions and remaining 74 (0.27 percent) were Employer Unions.

Workers Union :

41.17 Out of 27,063 Workers Unions, 88.76 percent were State Unions and remaining 11.24 percent were Central Unions. State Unions are those unions, whose activities/objectives are confined to the boundaries of the State, while Central Unions have activities/objectives beyond a State boundary. During 2008, out of 27,063 registered workers unions, only 9702 unions (35.85 percent) had submitted the returns. The average membership per workers unions was 986 only.

Industrial Activity Wise Distribution of Workers Unions Submitting Returns:

41.18 Out of the 9702 unions that submitted returns during 2008 , 3452 unions (about 40%) belonged to the manufacturing group , followed by 'Other community, social and Personal Services Activities' (1374 unions, 14 percent) & Transport Storage & Communication (1334, 14 per cent).

Income and Expenditure of Workers' Unions

41.19 During 2008, total Income and Expenditure of all workers unions was Rs 113.81 Crore and Rs 80.99 Crore respectively. The Income and Expenditure of Workers Central Unions was Rs 44.79 Crore and Rs 24.10 Crore respectively. The remaining Income and Expenditure of Rs 69.02 Crore and Rs 56.89 Crore respectively pertained to State Unions. The highest income and expenditure of Central Unions and as well as for State Unions these were in Tamil Nadu.

Employers Union :

41.20 In 2008, out of 74 registered, Employers Unions, 7 unions (i.e. 9.46 percent) had submitted returns. All the employers, trade unions submitting returns were State Unions. These union had a membership of 6,924 persons, out of which only 1,012 (14.62percent) were women. The average membership per employers union was 989. Highest number of Employers Unions submitting returns was 4 in 'Manufacturing' whereas Real Estate Renting & Business Activities had highest membership amongst those submitting returns.

Income and Expenditure of Employers Unions

41.21 All the unions submitting returns were State Unions. Income and Expenditure of these unions was Rs 0.37 Crore and Rs 0.33 Crore respectively. Among Industries, maximum Income and Expenditure of Rs 0.29 Crore and Rs 0.29 Crore respectively was reported in industry group

"Manufacturing (Ind. Code D) " followed by "Real Estate, Renting and Business Activities" (Ind. Code K).

41.22 **Source of Trade Union Statistics** : The Rules Framed under the "Trade Unions Act,1926 impose obligation on the registered Trade Unions (Workers & Employers) to submit annual statutory return in the prescribed format to the Registrar of their respective States/ Union Territories. These State/U.T. Authorities in turn furnish the consolidated data in respect of the entire State/U.T. to the Labour Bureau. The **Labour Bureau , Ministry of Labour & Employment**, compiles and disseminates these statistics at All India level.

Note : Statistics on Trade Unions is constrained by non reporting by several states . Even in the States that submit returns , information wrt a large number of trade unions is not available due to non filing of their returns.