

# CHAPTER 41

## TRADE UNIONS

Trade union is a voluntary organization of workers pertaining to a particular trade, industry or a company and formed to promote and protect their interests and welfare by collective action. They are the most suitable organizations for balancing and improving the relations between the employer and the employees. Trade Unionism has made its headway owing to growth of industrialization. Trade Unionism asserts collectively the rights of the workers. The Trade unions are concerned with the welfare of workers which include:

- Securing fair wages for workers and improve their opportunities for promotion and training.
- Safeguarding security of tenure and improve their conditions of service.
- Improving working and living conditions of workers.
- Providing educational, cultural and recreational facilities.

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.

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.

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.

The 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).

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:**

**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.

**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.

**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.

**Vicancellation 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 contravent any provisions of the Act or rules etc.

**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.

**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.

**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.

**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.

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 ` 1 per annum for rural workers, three rupees per annum for workers in other unorganised sectors and ` 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.

The Labour Bureau, Ministry of Labour & Employment, Chandigarh is nodal agency to compile the information relating to the trade unions. The State Governments and Union Territories are furnishing annual returns under the Indian Trade Union Act, 1926 to the Labour Bureau. The information of annual returns relates to calendar year. The statistics in this chapter relates to only those unions which have been registered under the Indian Trade Union Act, 1926.

### **Highlights:**

- The number of registered trade unions decreased from 41545 in 2000 to 40249 (Provisional) in 2007. The percentage of trade unions submitting the returns increased from 17.4% to 18.4% during the same period. The membership of the trade unions increased from 5.42 million in 2000 to 7.87 million in 2007.
- The number of registered worker's trade unions decreased from 41136 in 2000 to 40175 in 2007, whereas, employer's unions decreased from 409 to 74 during the same period.
- The total income including previous year's closing balance of trade unions decreased from ` 1387 million in 2000 to ` 1105 million in 2007. Its total expenditure decreased from ` 594 million to ` 430 million during same period.
- Income of workers' trade unions decreased from ` 746.36 million to ` 429.71 million in 2007, whereas the expenditure of workers' trade unions decreased from ` 594.07 million to ` 430 million during the same period.

### **This chapter contains the following tables:**

**Table 41.1-** Number, membership, income, expenditure and funds of registered trade unions (2000-2007)

**Table 41.2-** Number of registered trade unions (2000-2007)

**Table 41.3-** Number of workers and employers unions submitting returns and their membership by industries (NIC-1998) (2000-2007)

**Table 41.4-** General funds of registered trade unions (2000-2007)