

## 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 growing 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 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:

- **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 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.
- **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.
- **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 proformae to Labour Bureau, Ministry of Labour 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 are to be spent on objects 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 is 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 is 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.

41.7 The **Trade Unions Act 1926** has been amended from time to time, 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 Registered Trade Unions and their Membership -1996 to 2010**

Year	No. of Registered Trade Unions	No. of Unions Submitting Returns	Membership of Unions Submitting Returns				Total Membership('000)	Average Membership per Union
			Men		Women			
			Number ('000)	Percentage	Number ('000)	Percentage		
1	2	3	4	5	6	7	8	
1996	58988	7242	4250	75.9	1351	24.1	5601	77
		12.3						
1997	60660	8872	6504	87.8	905	12.2	7409	83
		14.6						
1998	61992	7403	6104	84.2	1145	15.8	7249	97
		11.9						
1999	64817	8152	5190	81.0	1218	19.0	6408	78
		12.6						
2000	66056	7253	4510	83.2	910	16.8	5420	74
		11.0						
2001	66624	6531	4392	74.8	1481	25.2	5873	89
		9.8						
2002	68544	7812	5102	73.2	1871	26.8	6973	89
		11.4						
2003	74649	7258	4854	77.3	1423	22.7	6277	84
		9.7						
2004	74403	5252	2954	87.0	443	13.0	3397	64
		7.1						
2005	78465	8317	6334	72.6	2385	27.4	8719	104
		10.6						
2006	88440	8471	7754	86.5	1206	13.5	8960	105
		9.6						
2007	95783	7408	5751	73.0	2126	27.0	7877	106
		7.7						
2008	84642	9709	7420	77.5	2154	22.5	9574	98
		11.5						
2009	22284*	3861	4388	67.7	2092	32.3	6480	167
		17.3						
2010	18602*	2937	3185	62.5	1912	37.5	5097	173
		15.8						

- Note: 1. Figures below the values denotes percentages of Unions Submitting Returns to Total No of Registered Unions  
2. The figures are exclusive of Federations in all the statements.  
3. The data is based on the returns received.  
4. \* : Data pertains to responding State/ UTs only.

### **Growth of Trade Union( Workers & Employers Combined )**

41.8 Latest available information for trade unions pertains to year 2011. While Labor Bureau has estimated the figures till 2008 by incorporating the latest available information of the non responding states, the data thereafter pertains to responding states/UTs only. Hence consistency of any sort is likely to be present in data till 2008 only. Such a table published in Trade Unions in India 2010, Labor Bureau, is given above. 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 2007 the number declined by about 12 per cent and the

average membership per union declined from 1063 in 2007 to 986 in 2008. During 2011, the number of registered trade unions, (on the basis of information furnished by responding states) was 10264. Out of these about 27 % of the registered trade unions have submitted returns . During 2010, 15.2 % of the 19376 registered unions in responding states had submitted their returns. As per the information received from States/UTs ,during 2010 & 2011 2936 and 2769 workers union respectively submitted their returns. During 2010, 1 employers union had also submitted its return (out of 56 registered employers union in responding states). The average membership per union submitting returns increased from 1736 during 2010 to 2680 during 2011. On the basis of available information for 2008 , Tamil Nadu accounted for the largest number of registered trade unions (8,793) followed by Rajasthan (4,593). However during 2011 amongst responding states , Karnataka had highest number (3187) of registered trade unions , followed by Punjab , Haryana and Puducherry with 2587, 1466 and 1412 registered trade unions respectively. Bulk of the trade unions are state unions and out of the response received , they comprised 92 % & 72 % of all registered trade unions during 2010 & 2011 respectively. 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. All of the 10264 registered trade unions during 2011 and 19320 out of the 19376 such union during 2010 were workers union . 56 employers union were also on register during 2010 as reported by responding states.

#### **Industrial Activity Wise Distribution of Workers Unions Submitting Returns:**

41.10 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).During 2010, 'Manufacturing Group' accounted for 34 per cent of the total number of unions submitting returns, followed by 'Transportation and Storage' (16.6 per cent). The membership was highest in 'Agriculture, Forestry and Fishing' (27.2 per cent), followed by 'Manufacturing' (26.3 per cent). During 2011 also largest number of workers trade union that submitted returns were from manufacturing group as they comprised about 37 % of such unions across all industries. Second largest industry group of workers union that submitted returns during 2011 was transportation and storage (as in 2010) as it accounted for about 13 % of all such unions in various industry groups. During 2011, the average membership per union submitting returns , at 2 digit NIC , was largest in case of agriculture, forestry and fishing (11160 members per union ) whereas at 3 digit NIC , the average size was as large as 1,13,626 members per worker union submitting return, in case of industry group , repairs of computers and communication equipment .

#### **Income and Expenditure of Workers' Unions**

41.11 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 was in Tamil Nadu. However, on the basis of returns received from 12

states, during 2010, total Income and Expenditure of all workers unions was Rs 37.6 Cr and Rs 34.18 Crore respectively. The Income and Expenditure of Workers Central Unions was Rs 6.61 Crore and Rs 5.53 Crore respectively. The remaining Income and Expenditure of Rs 31.03 Crore and Rs 28.65 Crore respectively pertained to State Unions. The highest income and expenditure of Central Unions and as well as for State Unions was in Kerala. During 2011, income & expenditure of workers union (that submitted returns) was Rs 46.4 Cr and Rs 40.4 Cr respectively. Highest income & expenditure of the unions that submitted returns was from the State of Karnataka at Rs 18.8 Cr and 16.2 Cr respectively.

### **Employers Union :**

41.12 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. In 2010, out of 56 registered Employers' Unions, 1 state union had submitted returns. The union had a membership of 15 male persons. During 2011, no information pertaining to employers unions was received from States/UTs.

### **Income and Expenditure of Employers Unions**

41.13 All the employers unions submitting returns were State Unions during 2008 as well as during 2010 . Income and Expenditure of these unions was Rs 0.37 Crore and Rs 0.33 Crore respectively during 2008 and Rs 7500 and Rs 5000 respectively during 2010 . 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) during 2008.

41.14 **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 for a large number of trade unions is not available due to non filing of their returns.