

Course Name: Labour Welfare and Industrial Relations

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Week – 02

Lecture – 10

Hello students, welcome back to the course on labor welfare and industrial relations. We move to the last lecture of the second module where we look into typically try to conclude the discussions on trade unions with understanding the size and the finance of trade unions. And specifically, one important aspect, which is a rivalry of trade unions and the recognition of trade union. I'm Dr. Abraham Cyril Isaac. I'm an assistant professor at the School of Business, Indian Institute of Technology, Guwahati.

So, when you look into trade unions, you know, beyond trade unions, what we see that the size of trade unions in India is something which we should ponder upon. And it mainly comes from different aspects or it can be gazed through different aspects. Let's say we'll start with the membership statistics. So trade unions in India have a significant membership base with millions of workers actually affiliated with different unions, different unions. across various sectors.

So ranging from, let's say, traditional industry to the existing or emerging sectors like IT and services. So what happens with respect to the membership statistic is that there are certain challenges with data. Obtaining accurate and typically up-to-date data on trade union membership in India is very, very challenging. There are discrepancies between certain government reports if you want to look into or refer or figures provided by the union themselves. There are a lot of divergence that we have observed as part of this membership statistics totally.

When you are looking into the latest official data, according to the Labor Bureau's report on trade unions, I just want to communicate this. Registered trade unions in India are

almost 19,875. However, that said, only a fraction, around let's say 14% or so, has submitted returns. So you can see the prudent working of the unions that's being underlined there. Total reported membership,

is specifically a bigger figure. The figure likely represents an underestimation of actual membership altogether. So it is something like 1 crore 3 lakh around where these many members are there and typically the different trade unions. But again, a close look into the entire statistics will give a different picture altogether because the figure of 1 crore 3 lakh is a certain underestimation of the actual membership.

Now, some central trade unions specifically claim much higher membership figures. But again, these are not independently verified. So that is some reality check when it comes to membership statistics. When you look into the sector-wise distribution, the distribution of trade unions in India varies across sectors. This is something which we have ascertained over a few lectures, be it manufacturing, agriculture, services and public sectors, reflecting the diverse nature of labor representation and the unique challenges faced by the workers in different industries.

So what we have seen in sector-wise distribution is that there is again a limited data availability. Let's say in case of manufacturing. Historically, there is a strong presence, though possibly declining due to the shifts in the economy. There is a very robust public sector arrangement in India. So the union presence is relatively strong too.

Let's say be it banking, be it coal or telecommunications, Let's look into then the formal service sector. It's a growing unionization in sectors like IT and education. And there are certain informal sectors, limited union penetration due to the work and challenges in organizing workers is a key challenge there. And it has led to the limited union penetration sector.

When you look into the representation in various industries, we'll see that trade unions in India represent workers in a wide range of industries, including automotive, textile, health care and construction, advocating for the rights, welfare and better working conditions through collective actions and negotiations specifically. So we'll see that, let's say, industries with a long history of unionization, what I've already mentioned, like

something like manufacturing, be it automobiles, textiles, public sector undertakings, or organized service sector, they have a stronger presence of trade unions, whereas The informal sectors have limited representation. Sectors like IT are coming up. They are coming up in terms of the penetration and they are getting more recognized.

When you are looking into the factors affecting unionization, you should also acknowledge the fact that. there are certain factors, let's say nature of work, employer attitudes, government policies, or even to a certain extent, the awareness of the worker and the solidarity that would all club in when it comes to unionization. So let's say highly skilled, organized workplaces are generally more conducive to unionization. No doubt about it compared to some unorganized sectors or maybe supportive employers can facilitate union formation while others might actually resist it and even when you look into the authority the government labor laws and government policies can impact the ease of forming and running trade unions or even when you are looking into the individual work or worker a strong sense of the worker solidarity sometimes very much absent in most of the sectors and companies and

The strong sense of worker solidarity and awareness of their rights are crucial for unionization efforts. So what we understand here in terms of trade union is that there are certain factors which affects the unionization. And one such factor which would actually establish the future growth of trade union would be the financial structure. Financial structure should be seen from different aspects. One could be the sources of funding.

Second could be the budget allocation. And third is the transparency in whatever financial operations these trade unions are getting into. Let's look into the sources of funding. Trade unions in India derive funds from membership fees. That is one of the topmost source of income.

Donations come from different sources. Grants and contributions from international bodies, sometimes part of lobbying, etc., which support their operational expenses, campaigns and welfare activities to a certain extent. So when you are looking into, let's say, donations, it could be from individuals, from other unions or sympathetic

organizations. But That said, there are certain clear restrictions, you know, given to such donations.

When you look into government grants specifically, unions might receive government grants for specific purposes, like, let's say, conducting worker education program. So there might be a grant for worker education program, which again would be a source of fund for the particular union. But when you're looking into the budget allocation specifically, the budgeting process of trade unions involves allocating funds for different costs, including but not limited to administrative costs, employee salaries, organizing events, legal fees, strike funds, interestingly, and welfare initiatives to serve the interests and needs of their members effectively. So when you are looking into budget allocation, we should say that there is a certain limited data that is available. Maybe the unions do not want to disclose or information on TU allocations are readily not available in a public domain.

So mainly if you look into that constraint and leave that out, we see that the costs are mainly related to staff salaries and administrative costs. There are some professional fees, let's say costs associated with legal representation during disputes or hiring professional negotiators, etc., There might be cases or issues of worker education and mobilization activities, more or less unions in the respective of the political affiliation or the entire vision and mission, the worker education factor. Worker education factor is coming out to be one of the most critical aspects why people are spending money, why trade unions are specifically spending money on workers' education to enhance greater mobilization and greater skill development. Then again, there's an interesting aspect of the strike funds.

When you're looking into different types of funds, this would be interesting. And some unions might build a certain strike funds to support members actually financially during the industrial actions. Now, when you're looking into the source of funding, budget allocation, something that should be very critical is the transparency, the accountability the trade unions are having in the entire scheme of things. It is unfortunate to say that there is a murky landscape that is there. It concerns excess regarding transparency in financial operations of some of the trade unions.

The Trade Unions Act, in fact, 1926 Act mandates registered unions to maintain proper financial records. submit annual statements however the enforcement is very very weak so ensuring ensuring transparency in financial operations is crucial for trade unions to actually maintain trust among members so the moment there is let's say financial irregularities noted or financial irregularities getting communicated or publicized the trust is coefficient or a distrust element will set in and this distrust element will lead to a distrust loop and the members start moving away or disengaging from the trade union in itself. So to keep all the stakeholders, keep the members together, there should be proper financial audits and reporting mechanisms which actually should enhance the accountability and the transparency within so something like you know strengthening the regulatory framework potential reforms in in the act itself focusing on enhancing let's say financial reporting requirements and mandating independent audits would be one of the way to go ahead another road ahead would be to take union initiatives union themselves can take proactive steps towards greater transparency

by publishing annual reports or let's say holding regular discussions on finances with members and adopting ethical guidelines for handling funds. Now, another important aspect I would like to stress before concluding the module itself is a significant trade union rivalry that is existing. Now, it could happen with respect to the political ideology with which the trade unions are based on. It could happen with respect to the objectives or the vision of the trade union, which the union is having as an entity, or maybe it is with respect to the The political maneuvering, not only ideology, let's say if the union sticks on to one particular stand, it will fall in disfavor of one political entity.

So that might lead to a change in stance. So altogether, we see that there could be or there are cases of trade union rivalry, mainly with respect to the factors. that contribute to the rivalry something which which are interesting which look into that trade union rivalry in India actually as I mentioned the main focus or case would be of ideological differences then there are potential man-made issues like leadership conflicts mainly people do not tend to accept each other there are problems of regional affiliations diverging strategic goals and competition for membership leading to intense competition and even to a certain extent fractionalism within the labor movement so when you look into these

factors closely let's say there are certain issues coming from the aspects of multiple central trade union organizations existing or maybe with respect to the ideological differences the centralized trade union organizations have distinct political ideologies and Or there might be these ego clashes, what we have mentioned as the leadership struggles or employer status.

Some employers even might exploit existing divisions within the workforce by favoring one union or the another. By favoring one union over another. So this might be again another important aspect which contributes to the rivalry. If you look in the rivalry and the examples of the such rivalry scenarios, it can be understood that historically instances are there. of this trade union rivalry in India, which include conflicts between politically aligned unions.

Specifically, this is one of the key aspects. Disputes over the representation rights, some of the ego constraints or some of the representation rights comes into picture. Strikes for leadership control generally, mainly who will lead the show, that would be a determining factor. and clashes over bargaining positions with employers. So how to get in favor or in a better bargaining position, that also would be very vital.

So there has been cases of inter-union violence in extreme cases, where the clashes will erupt between the members of the competing union. There could be disagreements over strike actions. There could be competing unions in a single industry. So all those aspects actually have certain impact on the labor movement. So trade union rivalry can undoubtedly hamper collective bargaining efforts.

It can weaken the solidarity of the workers, disrupt the industrial harmony and hinder the progress of labor reform. So if you look into the trade union rivalry, it will enhance or it will increase the weakening of bargaining power. so please note it will not enhance the bargaining power it will weaken the bargaining power because there is a division there is a rift that has come up and the employers or the other stakeholders who need that they will try to use it there will be reduced worker participation in a great length there and there will be a totally a negative public perception about the whole process now The moving forward, the way could be to, let's say, promoting inter-union collaboration

because you do not have to talk only about the problems. We can always think about scenarios which can lead to solutions also.

So one could be promoting inter-union collaboration. Let's say the centralized unions could explore avenues for collaboration on issues of common interest and develop a very unified front in at least in some crucial matters. There could be issues of strengthening or there could be efforts for strengthening internal democracy. That will ensure a transparent and very democratic leadership selection process and would actually reduce the rivalry or the strikes for leadership control. And there could be also efforts to focus on the worker needs.

The problem is that the focus has been shifted to politics and not the workers. So shifting the focus on political affiliation to effectively actually addressing worker needs and concerns can help build solidarity across ideological divides. So these are some of the critical aspects when you understand trade union rivalry in India. Now, we had discussed in length and breadth regarding the recognition of trade union, but very quickly we'll sum it up with respect to the legal framework for recognition. In the previous class, if you have gone through, you'll see that we have talked about the registration and all.

So the recognition of trade unions in India is governed by labor laws, industrial relation acts, and the government regulations that establish criteria, procedures, and requirements for official acknowledgement and representation of rights for unions. So something like the Trade Union Act in itself is a legal framework. The Code of Discipline in Industry is a legal framework. Certain acts like the Industrial Relations Act, Central Code 2020 for the people who do not know this, this relatively new code, which includes a provision for determining the bargaining unit, let's say the group of workers and setting a threshold for union membership to claim recognition, minimum 30 percent or let's say 51 percent, depending on the on the specific scenario.

Now, this will actually bring in a lot of, you know, legality or a lot of legal sanctity towards or for the trade union. That said, the process of trade union recognition involves what we understood in the registration process, submitting documents, conducting verification, obtaining approval from the concerned authorities and securing formal

recognition status, enabling unions to engage in negotiations, collective bargaining, and representation on behalf of members. So the process of recognition is very vital and very illustrative in itself. But that said, there are certain critical methods for registration.

One is the single union recognition. When you're looking into the process of recognition, one is recognition. Single union recognition. If a single union meets the membership threshold, let's say 30% for single establishment and 51% for multiple. 30% for single establishment units and 51% for multi-establishment units.

It can claim recognition as the sole bargaining agent of workers. Another could be collective bargaining agent. collective bargaining agent in cases where multiple unions actually exist. The one with the highest membership becomes the negotiating agent for all unions representing the bargaining unit. So elections might be conducted if the membership share is very close.

So this could be some of the processes of recognition. Two methods I've already mentioned, the single union recognition and collective bargaining agent. When you look into the benefits of recognized status, official recognition provides trade unions with legal standing, bargaining power, protection against anti-union practices, access to dispute resolution mechanisms, and even opportunities for meaningful participation in decision-making process. Please note, I have tried to categorically emphasize on this decision-making process and the participation or the opportunity for participating in that, enhancing the legitimacy and influence.

So what we see as formal negotiation rights, a recognized union gains the right to negotiate with the employer on behalf of its members regarding, let's say, wages, benefits, working conditions and other aspects of employment. There might be an initiation of a collective bargaining power. A formal recognition strengthens the union's bargaining power, allowing them to negotiate more effectively for better deals for the members. Or maybe something like an access to grievance redressal mechanisms, which otherwise was far beyond the reach of a normal employee.

Recognized unions can utilize established grievance redressal mechanisms to address workplace issues faced by the members. And finally, protection from unfair labor

practices. Recognition can offer some protection against the unfair labor practices by employers. It could be even discrimination against union members. So when you are looking into the recognition of trade unions, we consider it from the legal framework for recognition, the process of recognition and the benefits specifically.

We have tried to introduce you to the challenges faced by trade unions. We'll look at from a different dimension. We'll start with the legal constraints altogether. Trade unions in India actually face a lot of hurdles. Let's say there are some restrictive labor laws.

some bureaucratic procedures, regulatory complexities, and all those constraints on organizing activities impeding their ability to mobilize workers, negotiate effectively and protect labor rights. Then there are legal constraints coming from multiplicity of unions. Outdated laws, which we have discussed in detail in the previous class, so I'm not going into that. Complex recognition process also could be one of the factors that leads to the legal constraint.

When you're looking into the internal conflict, it's more about ideological differences between which we have seen the leadership struggle or the lack of transparency. Internal conflicts within trade unions arise from typically the power struggles, ideological divisions or the disputes, the factionalism and diverging priorities, you know, which leads to ultimately fragmented solidarity. And it ultimately. Ultimately, it weakens organizational cohesion and challenges in pursuing the collective goals.

When you look into external factors, including, let's say, political interference, this is one of the most significant factors when we talk about the trade union, employer opposition, economic fluctuations. Let's say globalization pressures, which we have discussed and changing workforce dynamics, those external challenges that impact the autonomy, resilience and relevance of trade unions in responding to external pressures specifically. So these are some of the aspects that are challenges that are faced by the trade union. But again, if we think of the solution, there should be some concern or some effort going to that. So we can think of some of the legislative reforms.

Updating labor laws to reflect the changing workforce landscape and let's say streamlining the union recognition process altogether can create a very vital and enabling

environment for typically the unions. Another could be promoting unity. Let's say the centralized trade unions could look into avenues for collaboration on common issues and develop a very large united front to deal with externalities or such other external influences. There could be situations where you adapt to change. This happens to be one of the key aspects, especially new organizing models come into picture.

Not the traditional work sectors, but by looking into the new working or new organizing models, innovative strategies can come up and the trade unions can adapt to change. And these would be certainly some of the factors looking forward towards a solution in all the challenges that we have actually identified and we have actually come up with. When you look into the trade unions, the trade unions, we have discussed on trade unions extensively. But we have to also understand and appreciate the connection between trade union and industrial relations, which is our our main topic. Now, when you look into trade unions, they walk a tightrope.

There is no doubt about it. They influence the complex web of relationship between employers and employees. And this is what specifically we have underscored as the industrial relations. So when you're looking into the labor management dynamics, you have the shifting power. traditionally management held most of the cards most of the say was with the management unions level the playing field as we have already discussed giving workers a very collective voice to negotiate maybe in terms of the benefits in terms of the wages in terms of the working conditions whatever the need of the situation be they act as communication channels

Unions establish formal communication channels, allowing actually grievances or issues to be addressed systematically and reducing the typical misunderstandings that are emerging. There could be also some potential for tension when you are looking into labor management dynamics. Specifically, negotiations can be contentious. There is no doubt about it. Strikes or protests can create tension, but a well-functioning union management relationship can foster stability.

When you look into the conflict resolution, there are certain issues of grievance procedures, aspects where unions help establish clear procedures for resolving worker

issues, ensuring fairness and transparency. There could be aspects of mediation and arbitration. Where unions can play a role in mediating disputes or advocate for third-party arbitration in complex cases, there can be efforts inclined towards reduced work stoppages. By providing, let's say, a structured channel for resolving grievances, unions can prevent minor issues from escalating into very large or major issues specifically. When you look into the third important aspect, which is the working condition, there could be collective bargaining.

Collective bargaining can enhance or can Through bargaining, unions negotiate for different aspects, including wages, benefits, and working hours. So this could be one of the factors which can improve working conditions. Second could be safety standards. Unions often advocate for very strict safety regulations, creating a very safe work environment altogether.

And finally, job security. In some cases, let's say unions negotiate for provisions like seniority-based layoffs, procedures or limitations on outsourcing or even offering greater job security. So these might be some of the aspects which we can look into and understand the entire trade union setup in terms of dimensions like labor management dynamics, resolution of conflicts, improving working conditions, etc. Now we come to the fag end of the class.

Let's look into the future of trade unions. We have seen what trade unions are. we have observed what trade unions can actually do. We have seen the different ideologies and models related to trade unions. We have seen why trade unions exist and what it can do in terms of the functioning.

We have also seen the challenges of the future trade unions. So based on that, we'll go for some of those aspects which we consider as very critical in terms of the future of trade union. And the first one is undoubtedly adapting to the changing workforce. We are in a changing world, especially post-COVID.

We have changed the job contract styles or the work patterns, etc. People start working from home. So it all requires a totally different approach. When it comes to handling

workers or managing the members of a trade union, trade unions will have its own challenges. We have seen that.

But how will the trade unions adapt to? How will the trade unions bring in change? That is what we'll quickly look into. When we look into adapting to changing workforce, we see that trade unions in India must adapt to demographic shifts typically. evolving employment patterns.

Let's say there are some gig economy challenges which we already discussed. The rise of gig economy and non-traditional work arrangements, they present in fact a very significant challenge for unions. When you look into unions which are built around traditional models, this is a new thing altogether. New organizing strategies are required. They are needed to represent and advocate for the rights of independent contractors and let's say temporary workers etc.,

Evolving employment or technological advancements is yet another important aspect to remain relevant. Engaged new generation of workers would be also critical to and even addressing the changing needs of the priorities of the workforce. So what we generally see is that there should be focus given on skills and training because we are looking into a new generation of workers and they would need a certain bit of recognition every now and then. And there will be also a requirement of organizing a cross-sector. So gone are the days when there is a trade union for a sector.

There should be some cross-functional arrangement when it comes to the trade union network altogether. Embracing technology is yet again the future of trade union, the integration of technology tools, the digital platforms, data analytics and communication technologies can enhance the efficiency of trade union operations, outreach efforts, member engagement and advocacy campaigns. So enabling this union specifically to leverage actually digital solutions, for better organizational effectiveness. So when you are looking into some of the aspects of digital communication, the unions can leverage technology specifically to improve communication with members.

Especially, let's say, case of Northeastern India, where there is a geographical disadvantage. Geographically dispersed working non-traditional hours could be there.

They could be brought together. by the technology of digital communication. Utilizing aspects like social media platforms or online communication tools can help with member engagement and mobilization efforts, no doubt about it.

There could be some data-driven strategies because technology can empower unions to collect and analyze data. Maybe it's on wages, maybe it is with respect to the industry trends or the working conditions. This data Can be used to build stronger cases during negotiations and advocate for evidence based policy change. So you are looking for something which is much beyond a traditional approach of policy change.

Now we look into organizing tools. If we focus on that. we can see that there are certain platforms that can streamline the unionization process, making it easier for workers to connect and build collective action, especially in the context of geographically dispersed workforce. Now, when you look into the role in ensuring workers' rights, trade unions have a very crucial role in safeguarding workers' rights. promoting social justice, advocating for fair compensation, protecting job security and not to mention addressing emerging labor challenges through proactive dialogue, policy advocacy and collective actions to uphold the rights and dignity of the work.

So when you are looking into the roles in ensuring worker rights, we have to focus on the universal basic rights. Unions can actually advocate for policies that establish universal basic rights for all workers, regardless of the employment, the type, the minimum wage protection, let's say access to healthcare, the paid parental leave, all these factors can come into the focus on universal basic rights. There could be, you know, something like the regulation of the gig economy. Unions can play a vital role there, pushing for regulations because gig economy has come up big time. It is there to stay.

Why not? Push for regulations in the gig economy that ensure fair pay, the benefits and basic worker protection for those in all the non-traditional work arrangement. And there could be also some effort going into protecting against automation issues. Unions can actually think of the changing conditions or changing technology. Unions can advocate for policies that promote responsible automation, not leaving a large workforce underemployed or unemployed and mitigate its negative impacts on workers.

Let's say bring out retaining programs or maybe bring out some income security measures for those displaced by technology. So when you are looking into automation, The trade union. I will see an exhaustive discussion of what trade unions are, how they are formed, what was the need, what was the ideological backup and what were the essential features of the trade union, what are the challenges of the trade union functions. Everything was discussed.

But. There are a lot of trajectories which are yet underexplored and one of them is something which we discussed just now and that should be the takeaway from this class and this module altogether. That is what is the solution for a changing working condition. We have post-COVID, essentially, we have different work contracts. We have different work styles.

How we are going to adapt or especially how trade unions are going to adapt and function with the members. How attrition of membership from trade unions could be prevented. That's the first and foremost thing. Second would be the technological advancements. Use it for the benefit of the workforce.

Let's say a communication device, a handheld mobile device would actually, you know, enhance the worker participation in deliberations and discussions happening with respect to the cases concerned concerning him or her or maybe larger scheme of things like wage increase or working conditions, etc., All these aspects actually bring in challenges, but they pertain to solutions also. So it is prudent and it is pragmatic in the part of the trade union to actually use these aspects, use the salient features to enhance trade union activities. But not to forget that whatever be the political ideology, whatever be the background of existence and emergence of that particular trade union, In the background, the worker's right and the need of the worker is to stay and it will be there if the trade union wants to exist and work further.

That's all from this module. See you with a different module in the next class. Till then, take care. Bye-bye. Amen.