

Course Name: Labour Welfare and Industrial Relations

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Week – 02

Lecture – 06

Hello students, welcome back to the course on labor welfare and industrial relations. If you look into the first module, I tried to introduce you to the topic of labor welfare and specifically why we needed labor welfare or what were the reasons that actually tried to push towards labor welfare and industrial relations. We also looked into some of the basic aspects like wealth, wealth generation, the difference between capital and labor or workforce, and the emergence of this difference in actually pushing forward the industrial relations, etc.

Today, we'll look deeper into or we'll start looking deeper into different aspects of welfare and industrial relations. Specifically, we'll start today with the trade union.

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So straight away moving into trade union, we had tried to actually introduce you to the concept of trade union. What exactly do you mean by trade union?

What was the need of trade union? We had introduced you to the topic. But specifically today, I would like to go a bit deeper in understanding what were the different phases, the timeline of the formation or the evolution of trade union. And that's precisely today's topic. So before starting that, we should understand what are the typical features of industrialization that necessitated trade union.

So, we have set a ground that Industrial relations was something that brought in mass production. And this mass production actually brought in a lot of labor workforce. So

basically, there is categorization between a large capital and large workforce. The interaction between them, large capital had a certain, let's say, predisposition towards the workforce.

Workforce had their own problems. So, we, you know, associations came up, federations came up, which represented or started representing the workforce there. which were known as the trade unions. And we also on the similar line, we had some of the employer federations actually. So, we tried to understand these things on a very peripheral level.

Today, our focus would be to look into the essence and the evolution of trade unions specifically. When you look into industrialization specifically, there is no denying the fact that There has been a clear-cut separation of capital and labor that has brought in a significant impact in the workforce. So, when you look into the generation of the capital, that's how the mass production began and a lot of factories were put up. Workforce also started working.

So there was a clear cut distinction between what was known as the capital and what was known as the labor force. Now, this separation was first and the foremost reason why there was an understanding that or there was a realization that. there is a possibility that once this accumulated large capital comes into one place, there is a possibility of exploitation or there is a possibility of the workforce getting exploited. Similarly, there was also a threat perception that the moment there is lack of unity among the workforce, there is a possible threat of the workforce being disintegrated and exploitation again could happen.

So, all these considerations, the clear-cut separation between the capital and labour was one of the foremost and fine reasons for actually the thought process towards trade union. Somebody should be there. Somebody should be there to represent us. Somebody should be there to actually talk for us. Somebody should be there to be the voice of us.

So, this was the notion, this was the idea why trade unions actually emerged. So clear-cut separation between the capital and the labour was One of the fine reasons for the emergence of trade union or the industrialization that necessitated the trade unions.

Second was the philosophy of laissez-faire. When you are looking into the less involvement of government into business, business has to be done by the business.

So, there is a clear-cut philosophy. autonomy that is given to business whereby the government is not going to pitch in so even in cases of exploitation there were situations or there could be circumstances when the government is not actually getting in and helping out the the needy ones or the ones who are exploited So that was yet again another reason that we need to have some association, some particular conglomeration which actually represents us, our interests at least, maybe a basic working conditions, a safe working condition, a hygienic working condition, some benefits associated with the work here. So, all these aspects actually created a threat perception and that's why the philosophy of laissez-faire or business doing business alone, The lack of intervention of the government or possible lack of intervention of the government also was critical reason in actually bringing out or eliciting the need of a trade union or representation in a similar manner.

If you look into the third aspect, lack of bargaining power on the part of workers. When you look into this from a holistic perspective, you will understand that there is an accumulation of wealth that has happened. Now, the accumulation of wealth is... Or can create lot of threat perception because we are the people who are actually having the control over the wealth may actually find it easy enough to hire and fire may find it easy enough to create. you know workforce or situations where workforce have to work in menial conditions or dangerous conditions so when profit maximization happens to be the outcome or maybe the consequence of large capital generation there is a possibility that people are forced to work in worst job conditions so this was again another requirement another need or recognition that this workforce had that

When you are having bargaining power, that's something. When you are not having that, there is a possibility that there would be individual representations that would not be taken into heed, that will not be considered. So, there is a possibility that exploitation can happen. So this was yet again another spirit which led to the formation or led to the synchronization of trade unions and thereby it all emerged from there. Another important reason could be the individual dispensability.

I'll put it like this. Individual dispensability, but collective indispensability. Now, let's understand this. On an individual perspective, if I'm having a problem, you might relate it with your workplace or your field of education or let's say the institute where you're studying. If you are facing one single problem,

you might not be able to represent yourself on that problem in a clear and crisp fashion. There's a possibility that people will think against you, will put marks against you or will try to pass comments against you or judgments against you. That is a fair possibility. But the moment you are more collective in nature, the moment you are organized in nature, there is a sense of indispensability that will come into you. There is a sense of indispensability that will set in.

Now, this is critically the individual dispensability. On an individual basis, the organization will feel that it is safe to discard them. The ideas, the problems, the issues, the concerns, everything could be sidelined. Everything could be put under the carpet. But then, when the representation comes from a body,

From a set of people, from an organized set of individuals, things are different. So, this was yet again another vital reason why the trade unions emerged basically. So, there is a possibility of individual dispensability. But when it comes to trade unions, when it comes to associations representing the labor force, when it comes to federations, representing trade unions hardly there could be any case of dispensability and it would lead to a situation of collective indispensability so that sets the background for today's discussion now let's look into the early years in the Indian trade movement specifically so when

Compared to the trade unions of, let's say, UK and the USA, the Indian trade unions specifically have a very shorter history for the simple reason that our trade union history was not in tandem with the West because we did not follow the exact timeline of mass production, to be honest. We had a delayed start and also our autonomy was under threat because of the rule of the British. So, the establishment of, let's say, something like the Bombay Mill Hands Association under the presidentship of Lokhande in 1890 is often referred to as the tipping point, the starting point of the Indian labor movement specifically. When you look into the conditions of that era, owing to utter poverty and

illiteracy of the workers and the lack of facilities, no formal trade unions could grow prior to 1918. So, this marks a very short history, even if we consider 1890 or for that matter 1918, hardly 100 plus years have passed.

So, the establishment of, let's say, something like the Amalgamated Society of Railway Servants, ASR, in India and Burma in 1897 also, to a certain extent did not herald the arrival of the Indian trade union movement. For the society specifically, talking about the Amalgamated Society of Railway Servants, it consisted mostly of European and Anglo-Indian railway men. So, when you are looking into the Indian scenario specifically, there was hardly any representation and this is the basic reason for the shorter history that we have seen in the Indian trade movement.

That said, when you look into the early years specifically in the Indian trade movement, we cannot discount whatever we have. We have to acknowledge the fact that though it's a shorter history, we still have a history. And early years in the Indian trade movement is actually a testimony to that. The Kamgar Hitbardhak Sabha of 1909 was also a philanthropic organization for welfare amongst the industrial workers of Bombay and had very little concern about the trade union concerns. So basically, when you're looking into 1909, the major industrialization, if at all, would be in and around the Bombay suburbs.

So this is where we are actually looking into the generation or the initiation of some of the Indian trade movement actually happening. The rising prices and appalling working as well as living conditions made the workers discontented. And this actually paved way for greater problems within their life. And that is why they thought of we need to have proper working conditions.

We need to have proper salaries and wages. We need to have some justice. And that's the thought process behind this. coming together and forming a representative sort of association. So by the eve of the First World War specifically, if you recollect the previous discussions on the First World War, the stage was set for the emergence of a trade union movement in India too.

So, it was only a catalyst that was required to spark it off. So, this marked the early years in the Indian trade movement. Now let's look into the First World War period specifically.

The First World War proved to be the required catalyst that we are talking about previously. So when you are looking into the revolutionary ideas emanating specifically from the First Socialist Revolution of the world, it found a sympathetic core in the heart of Indian working class also.

So we tend to see the first essence of or the first threats of socialism pitching into the revolution here. Economically insecure and politically mature, supported by a band of selfless political workers. I should underline this word, selfless political workers. So politics was more out of the picture. It was more of the philanthropy.

It was more of the concern towards a fellow human being. It was more of the socialistic ideas themselves. and philanthropists and others, the Indian workers launched upon a series of strikes. So, with respect to the concerns and the issues faced by the individuals, they tried to bring in a bit of solution for that. So, the establishment of ILO,

That was a watershed moment in 1919 and the formation of the All India Trade Union Congress AITUC in 1920 gave shape to the trade union movement, no doubt about it. Now let's look into the period of 1919, 20, 29, this period beginning from 1919, witnessed a serious, a continuous growth in the number of trade unions and specifically their membership, to be precise. Not only trade unions emanated, there were significant registrations or increase in the membership also. So the following are the main features of the Indian trade union movement during the 1920s. One was, as we have discussed, the formation of AITUC. Second was the expansion in the number of trade unions and membership, which we have also thrown light into. Enactment of the Indian Trade Unions Act, 1926. One of the most critical acts concerning trade unions giving legal protection to the workers was also a salient feature of the Indian trade movement during this part, 1920-29.

It also witnessed the increase in frequency of industrial disputes causing work stoppages. So please recollect the earlier discussions where we discussed on the industrial disputes and how they emerged, the basic reason for that. So this period, essentially the 20s, saw the increase in the frequency of the industrial disputes causing specific work stoppages and rifts, etc. Another important salient feature would be the growth of the leftist

influence in the Indian trade union movement. As I've already mentioned, the socialism was pitching in.

The sense of leftist influence was coming in because the thought process of Marx and all had trickled down. And we'll explain that in greater detail. But that said, as organizations flourish, splits also come up. And as a result, the split in AITUC also happened during the period. When you look specifically into the second segment of the timeline, specifically 1930 to 1939, the Indian trade union movement during 30 to 39 is generally understood following main heads, which give an idea of the facts that condition its growth.

Specifically, the first and the foremost and the most critical one, the Great Depression. And its effects on the trade union activities. Because this was a time period when the whole world started reeling under depression. And when you are talking about depression, it's not only the workers that are affected. Trust me.

The first people to get the hit are the people who own the capital. Who otherwise think that what they own is all about unbreakable wealth. Though they have accumulated or they have been successful in accumulating a larger wealth, when it comes to depression, the first hit is taken by those who own large wealth. Now when that happens, there is a possibility that this gets trickled down. to the people who are working in those factories, in those plants, etc.

So, there could be situations of salary cuts. There could be situations where they have to work overtime without any extra payment. In such situations could actually lead to work in very poor conditions, work without any actual sound facilities or equipments. So, all these aspects actually are working in as a domino effect. So basically, what we understand, the Great Depression and its effect was critical when it came to trade union.

We also understand that the reunification of the trade union movement also happened during the 1930 to 1939 period. Formation of Congress Ministries specifically, if you follow history, under the Government of India Act 1935 was also one of the significant feature if we understand the history of the 1930s. When you look into the 40s specifically, two specific events of this period which have left permanent imprint on the

Indian trade union movement are the Second World War and, of course, the biggest achievement, which is the achievement of independence. So, this period, specifically 1940 to 49, from the point of view of its impact on Indian trade union movement, can conveniently be divided into two parts.

One is the specific one which you have mentioned, the war period, where we had the Second World War, and obviously after 1947, which was the post-independence period. So, 1940-49 was very significant when it comes to Indian political history, not only with respect to labour welfare, but for all matters concerning the political history of our country. And this concern or this course of labor welfare industrial relations also acknowledged and accepts the relative importance of this period, specifically 1940 to 49. Not only the war, but also the independence of the country. Now, when you look specifically in the post-independence period, which was, as I already mentioned, one of the most critical factors that have happened, the end of the Second World War, instead of bringing any relief to the working class,

aggravated their misery because we we can classically understand the draining of wealth the draining of wealth what was seen as capital a large accumulation of capital, this just drained away because of the Second World War. Now, when the wealth is getting drained away, there is a possible problem that is emerging from the employers and this is mainly they'll try to reduce the cost, mainly they'll try to fire workers, mainly they'll try to reduce the expenditure, but they cannot do it By compromising the production schedule that will in turn affect the profit or the revenue generation. So the only possible conditions is one to ask.

Workers. To work hard. And more time second could be. To reduce. So this were the two critical possibilities that were opened up post-independence period.

So, this created trouble. This warranted unnecessary tensions between the workforce and the employers. So, the working class tried to protect itself by demanding wage increases and supported its demand which strikes. They've made a front whereby they can act on that and they can actually bargain based on that. So, the unprecedented increase in the

number of disputes, specifically in 1946 and 1947, led to the enactment of the Industrial Disputes Act 1947, which placed compulsory adjudication on a permanent footing.

So, if we critically understand this, Industrial Disputes Act was just a matter of time. It would have come up any day. But The issues that were coming up as a result of the world war, the drained capital, the draining of the entire wealth of the employers, the managers, the plant owners, the factory owners, they had to ask workers to leave. They had to ask the workers to work.

more without any extra pay so all these situations actually gave or pave way for more and more of disputes specifically in the 1946 and 1947 period which unfortunately led or triggered to the enactment of industrial disputes act in 1947 much greater than it was actually or much before than it it would it should have been actually happened but good that there was a clear understanding that disputes have to be curtailed for the country for the economy to progress and industrial disputes act came as a consequence of that another piece of related legislation specifically the Indian Trade Union Amendment Act 1947 is also worth mentioning here when we look into the post-independence period specifically. Now, when you are looking into government servants, they demanded revision of their salary. So, they see that there is a systematic change, fight for the rights of workers there is a group there is a formal representation that is coming up from the workforce so why not they should they can also or they saw that there is opportunity they also understood that changing economic conditions would actually need more of money so the government servants also jumped into the wagon and started demanding revision of the salary so the central government appointed the first pay commission in 1946, May. So, this was the reason why the pay commission was actually thought about in the first place, was conceptualized in the first place, and it came into existence in May 1946. So from the point of view of its impact on the Indian trade union movement, the most important of the events in the post-independence period was the establishment of INTUC, Indian National Trade. Trade Union Congress in May 1947.

So, we have seen how AITUC has come up. We also now observe that how INTUC also has come up. Now, this pertains to what is the timeline of trade movement, Indian trade union movement in India. So we have categorically tried to understand what was the

need, what was the essential conditions that actually tried to generate the requirement of trade unions, the need for representing themselves.

But one thing I would categorically state that there were certain factors. There were certain factors like the World War, like the independence struggle, the struggle for independence. These factors actually triggered war. actually triggered the generation or the formation of trade union and its work. And it also tried to bring in a lot of representation because there were conditions of exploitation that came up.

There were situations where people wanted representation. So, all these things combined together, we see that the evolution of the trade union, especially from, let's say, though we have a very short history from 20s to 50s, This was what we have seen, that there was an increased emergence of representation in the form of trade union. So that's all about trade union. We'll see more on the next class.

Till then, take care. Bye-bye. Thank you.