

## Trade Unions in India - Spreading Wings

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# Trade Unions in India – Spreading Wings

von  
Pravin Sinha\*

The Year 2001 was probably one of the most eventful periods that the present inhabitants of this world had ever seen. It not only led the world into the next millennium but also brought about transformations into the world political and economic equations. The September 11 attack on the World Trade Centre in New York and the retaliatory attack by the USA on Talibans diverted the world's attention on Afghanistan as well as on India and Pakistan. The following months witnessed not only the flow of the world's prominent leaders, including German Chancellor Gerhard Schroeder, into South Asia but also policy announcements influencing the region.

The Indian situation during the year was no less eventful. The year began with the listing of two Indians (Azim H. Premji of Wipro and Dhirubhai Ambani of Reliance) at ranks 43 and 45 respectively in the „Forbes Billionaires List 2000“. On 9th January began the Maha Kumbh Mela (lasting 44 days) where millions of Hindu devotees (from world-over) took a soul salvaging dip in the Sangam River at Allahabad. However, the dip did not help much as on January 26 India's worst earthquake hit the State of Gujarat flattening Bhuj city, Anjar and Bachau and partially devastating Ahmedabad killing over 30,000 and rendering homeless over 100,000. The government's conservative estimates of damage were valued at IRs. 20,8750 (Euro 4,855) million.

The destruction by natural calamity was followed by terrorist attacks on Jammu Assembly in June and finally on December 13 at the Indian Parliament. The development left the country's psyche in a state of vulnerability.

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On the economic front, the impact of world recession was felt in India also, initially in the form of returning software professionals and later in the form of loss or decline of markets for its products, of foreign direct investment (FDI) and institutional inflow. The Afghanistan war and the West's preoccupation with it adversely affected India's trade. Oil imports had been one of the major consumers of India's foreign exchange. India imports about 70% of its oil requirements to meet over 100 million tones of its domestic oil requirements. India spent nearly US\$ 16 (Euro 18) million on oil imports during 2000-01. The software export (totalling Euro 6,520 million) had been another concern of India since the USA is the single largest importer. The tourism industry also showed decline by over 35% during the year. Consequently, the hospitality industry as well as travel and transport got affected. The manufacturing and agricultural industries also registered declined growth rates.

The Economic Survey for the year 2001-02 repeated almost all the economic diagnosis and nostrums of the last two years' surveys implying that the Indian economic scenario has not changed much in the course of the three years, i.e. 1999-2001. Domestic output and demand were affected by poor performance of the agricultural sector in the previous two years. Export growth suffered as well as industrial profitability due to low commodity and product prices globally.

However, despite these constraints, the growth in the real GDP has been 5.4% as against 4.0 per cent during 2000-01. The overall growth of 5.4% is supported by a growth of 5.7% in agricultural and allied sectors, 3.3% in industry and 6.5% in services. The acceleration of the overall GDP growth rate is basically due to significant improvement in value added in the agricultural and allied sectors from a growth rate of -0.2% during 2000-01 to +5.7% during 2001-02. While the performance of the services sector has improved moderately, there has been a significant decline in the growth rate of industry.

## **1 Economic Reforms**

India has, by now, gone through more than a decade of economic reforms. Beginning in June 1991, the thrust of the reform was fiscal stabilization and initiation of major structural reforms aimed at deregulation of the economy to induce accelerated investment, growth, employment and hence reduction in poverty. A good number of these original objectives have been realized. GDP growth in the 1990s, after initial years of reforms, was higher than that achieved in the 1980s. During the subsequent years, the GDP, however, slowed down. Growth in industrial value added averaged 8.5% per year during 1993-94 to 1996-97. The same fell to 4.8% per year during 1997-98 to 2000-01. Similarly, the annual average growth in value added in agriculture and allied

sectors fell from 4.5% to 1.2% during the same period. Growth in infrastructure also came down during the period under reference (Appendix I).

Earlier in February 2001 the Prime Minister's Economic Advisory Council submitted its recommendations on the next phase of reforms in agriculture, industry, trade, social infrastructure, economic infrastructure, financial sector and fiscal situation in the country. The Council's recommendations included: remove all controls on the movement and stocking of agricultural commodities and allow the private sector, including the foreign investors; abolish levies on commodities like sugar and rice; lower the average import tariff from the present 34% to 12% by 2005; abolish reservation for small-scale industries at least in select items of huge export potentials; abolish the requirement of government permission for closing down industrial units; increase compensation level for workers from 15 days wages for each year of service to 30 days; allow contract labour through a new law, recognizing outsourcing as a normal activity of companies; downsize the government by implementing the reports of the Expenditure Reform Commission; etc.

It is evident that the industrial sector has been the focus of the economic reforms in India. The slowing down of the industrial production, particularly, during the last five years has been a cause of major concern. The reforms were expected to result in sustained high growth in industrial production. It was expected that, in keeping with the country's comparative advantage, the structure of investment in industry would shift from capital to labour intensive industries. It was also expected that such a shift would provide for greater profitability, more export-oriented production and greater employment opportunities in industry. However, progress in this direction has been limited after the initial growth.

Employment growth has slowed down significantly during the 1990s relative to that of the 1980s. The sharpest decline had been in the organised sector and in particular in the public sector due to the ongoing trimming of the numbers of employees through voluntary retirement schemes (VRS) and dis-investment exercises. The pace of dis-investment in PSUs (public sector undertakings) by the government increased during 2001-02, in particular after the case relating to privatization of the Bhartiya Aluminum Company.

## 2 Governance

The 9th Lok Sabha (the Lower House of the Indian Parliament) constituted in December 1989 laid the foundation for a coalition government in India. The V.P. Singh government lasted for about 11 months while that of Chander Shaker only seven months. The coalition governance caused dilution of control of one political party on the affairs of the government thereby further complicating the governance. The period of coalition government is still

continuing at present being formed by the National Democratic Alliance – a coalition of 17 political parties.

The visit of Pakistani President General Pervez Musharraf to India in connection with the Indo-Pak summit at Agra on July 15 was probably one of the most important political events as well as disappointments of 2001. The failure of the Summit restarted the „blame-game“ between the two important countries of the South Asia Region.

The political instability adversely affects the national planning as well as the reform process. The 8th Plan, which was due to have commenced in 1990, was delayed by two years to start in 1992. In the 8th Plan documents, one clearly observes a change in the focus of Indian planning. The 8th Plan was aimed at achieving a higher growth path to prevent the reoccurrence of a balance of payment and inflation crises. It aimed at achieving an annual growth rate of 5.6% and an industrial growth rate of 7.5%. Poverty and unemployment irradiation were accorded secondary attention despite of dangerously spreading poverty and unemployment. While observing the nature of Indian planning, the Alternative Economic Group stated that

India has barely given more than marginal attention to employment generation. The liberalization process has further downgraded the consideration shown to employment generation. On the contrary, the urge for competitiveness, downsizing, rolling back the government, voluntary retirement schemes and selective deflationary policies for the public sector destroy employment and livelihood.

Seeing the deteriorating employment scenario despite of impressive economic performance, the 9th Plan (1997-2002) document once again reverted to the issue of employment. The document pointed out that a sustained and long lasting solution to the problem of poverty depends on the creation of adequate employment opportunities through a broad based programme of development and economic growth. Consequently, the 9th Plan's objectives include generation of adequate productive employment.

The 10th Five-year Plan (2002-07) aims at doubling the per capita income within the next ten years and this would require a GDP growth rate of 8.7%. This is achievable, according to the Planning Commission, only through radical departure from the present practices.

### **3 Employment**

The dominant features of employment and unemployment in India are typically those of less developed countries. There are low rates of open unemployment but much higher levels of poverty. The poor cannot afford to remain unemployed. Consequently, nearly 33% of employed workforce in 1993 were poor (almost similar to the all India level), on the other hand only 18-19%

of those unemployed were poor. Implicate in this feature are higher rates of under-employment and low levels of productivity and income, as also open unemployed among those above the poverty line. Predominantly, a large proportion of workforce employed in agriculture and a very large proportion of those employed both in rural and urban sectors report themselves as self-employed or casual workers. Recently, however, there has been an increase in female work participation rates and an increase in the education level of workforce. Unemployment of educated youths is gradually becoming a serious problem.

The Census on population in India is undertaken every ten years. The 1991 Census has classified workers into main workers and marginal workers. Main workers are those workers who work for 183 or more days per year while those who work for less than 183 days are defined as marginal workers. Accordingly, 285.9 million (91% of total workforce) are main workers and 28.2 million (about 9%) were marginal workers. About 79% of workforce are resident in rural areas. Among the main workers the proportion of rural workers was about 78% and that of urban ones was 22.2%. On the other hand, 95% of marginal workforce were in rural areas. Another aspect of Indian workforce is its classification into organised/formal and unorganised/informal sectors. By 1994 only 8.0% of total workforce constituted part of the organised sector whereas the unorganised sector accounted for 92.0%. Agriculture and allied occupations is the single largest employer of Indian workforce, about 99.2% of which are in the unorganised sector. In the manufacturing sector also the workers in the unorganised sector account for almost 75% of workforce. Similarly, 98% of the workers in trade and commerce belong to the unorganised sector.

The prevailing conditions have led to the development of dual labour market situations. Workers in the organised sector are fully protected through coverage by labour laws, although they account for no more than 8% of workforce. Incidentally, the majority of workforce is employed in government-owned establishments. Labour in the unorganised sector is deprived of the benefits accruable under the various laws, primarily due to their informal nature of employment. Consequently, they face exploitation of various kinds both at work and at home. Women workers are the worst sufferers of this exploitation. Further, it is in this sector that one observes the existence of child labour.

According to GOI's Planning Commission Study on Employment Generation during the 8th Five-year Plan, it has been estimated that organised sector employment has grown at the rate of 0.36% as against 2.6% planned during the first two years of the plan period. It was also observed that the majority of new employment created was in the category of self-employment. The annual growth rates for the remaining part of the 8th Plan period, too, had been far below the set target. Similar has been the experience during the

9th Plan period. A number of other studies have drawn conclusions that the post-liberalization economic growth in India has not been accompanied by growth in employment. The decade (1991-2000) had, in fact, experienced a „jobless growth“ (Appendix II).

## 4 Trade Union Movement

During 2001 the labour movement celebrated 100 years of its existence in India. During the centenary celebrations, various labour leaders narrated in great length, contributions made by them and the India Trade Union Movement (ITUM) in the freedom struggle of India. Many of them have, further, been glorifying their contribution in securing trade union rights and other benefits for workers in the organised sector. However, the ground realities show that in the years following India's independence ITUM membership has remained stagnant, if not declining. Its activities have been more or less confined to the organised sector, more so to the public sector enterprises – from where over 70% of its membership is drawn. The number of trade unions and their federations has expanded, too. Further state ownership on the one hand and trade unions' closeness to political parties on the other have not only made the unionization work but have also secured non-productivity related financial benefits easier in public sector establishments. With the onset of the liberalization process that included disbanding of the public sector, ITUM capacity to influence political leadership in securing undue demands weakened causing the Labour Movement to move from one stage of marginalisation to the other.

Since the focus of ITUM were the workers in the organised sector, more so those employed in government-owned establishments, the mass of workforce engaged in the unorganised sector remained not covered by the trade union movement. Consequently, over 90% of workforce remained unaware of their rights as workers and as such were being exploited by their employers. Most of the times the worker is not even aware of the employer's excesses. Long working hours, underpayment, sexual abuse, physical confinements are day-to-day affairs. Workers take these actions of their employer as fate (and rights in case of the employer or the master).

Labour laws in India do not make a distinction between organised and unorganised sectors, yet the resources of the government and the trade unions are directed mainly towards this section of workforce. The real exploitation of the worker and his/her family takes place in the unorganised sector where unions are conspicuously absent.

Recently, the international pressure and the shift of workforce from the organised to the unorganised sector, etc. have generated renewed interest in the unorganised sector. The government has repeatedly made announcements

about its intention to focus its activities towards workers in the unorganised sector.

Trade unions, too, are now trying to penetrate the unorganised sector. All the major Central Trade Union Organisations (CTUOs) have specific programmes aimed at enlisting membership of workers in the informal sector. There is some indication of workers being organised in beedi, construction, fisheries, forestry, homebased workers, etc. industries. However, enrolling a worker as a member cannot be a sufficient indicator of a union's functioning/effectiveness.

According to the latest verified figures on the membership of Central Trade Unions of December, 1989 as declared in July 1994 by the Government of India, five of the CTUOs have been accorded recognition of being national centres of trade unions. These are the Bharatiya Majdoor Sangh (BMS) having links with the Bharatiya Janata Party (BJP) and with verified membership of 3,117,324 tops the list followed by Indian National Trade Union Congress (INTUC) (2,706,451), Centre of Indian Trade Unions (CITU) (1,798,093), Hind Majdoor Sabha (HMS) (1,477,472) and All India Trade Union Congress (AITUC) (923,517). In addition there are a large number of non-affiliated/independent unions functional particularly in the unorganised sector and private/joint-venture companies. Then there are other forms of workers organisations, such as Morcha, labour cooperatives, NGOs, etc. performing the role of promoting workers' welfare.

The Indian Trade Union Movement is close to political parties, has a narrow support base, there is a multiplicity of unions, centralized decision making, ad hoc management, obsolete strategies, external and overaged leaders, personalized and power-oriented leadership, a confrontationist attitude, non-existent second tier leadership, and negligible gender representation.

## 5 Status of Workers' Rights

The Constitution of India guarantees to all its citizens, individually and collectively, certain fundamental rights including the ones relating to equality of opportunity in employment and freedom of association. India has also the distinction of developing one of the most comprehensive labour laws in the world. Since labour is a concurrent subject both the Central (federal) and State governments have enacted laws affecting labour. Over 200 laws (covering practically all aspects of workers' life including industrial relations, service conditions, wage and benefits, social security, etc.) have been enacted to secure reasonable working conditions particularly for workers in the unorganised sector as well as to pre-empt their exploitation. Provisions of some of the important laws are annexed as Appendix III.



The government has, however, been overoccupied with the organised sector as all their policies and programmes have been directed towards workers in the organised sector. The government, playing the role of a model employer, has ensured the application of labour laws in all its establishments. The workers employed in the large private sector undertakings, too, have been in receipt of the legal benefits, although on the lower scale as compared to those employed in the public sector. For workers in the informal/unorganised sector as well as of small-scale units there exists the case of unabated exploitation since for them all the labour laws enacted in the country are good on paper only. The state administrative machinery too has been rather ineffective. The inadequate size of the administrative machinery has often been quoted as a reason for this.

India is a founding member of the International Labour Organisation (ILO) and holds a non-elective post in the governing body of the ILO. The ILO has influenced India in the labour sphere. India has, so far, ratified 39 Conventions (Appendix IV). The ILO Conventions/Recommendations have played a significant role in the legal framework on wages, working conditions, welfare, social security, protection of the vulnerable section of the society, human resource development, equality, non-discrimination, etc. A tripartite committee on ILO Conventions of the Government of India oversees various aspects relating to International Labour Standards, including proposals concerning new conventions/ratification of old conventions, compliance of the provisions in the ratified conventions, etc. The committee, however, is dormant for many years.

The 86th Session of the International Labour Conference (ILC) of the ILO on 18th June 1998 adopted a 'Declaration of Fundamental Principles & Rights at Work' making it mandatory for member states to enforce provisions of Core Labour Conventions. Accordingly all member countries are required to submit a report on progress made in implementing the principles enshrined in the aforesaid conventions. India has ratified four out of eight conventions. The government is taking steps to see that child labour conventions 138 & 182 are ratified while that relating to freedom of association does not need to be ratified as the same has been guaranteed under the constitution.

## **6 Issues before Trade Unions**

Some of the important issues that are keeping the ITUM occupied include:

### **6.1 Child Labour**

Article 24 of the Constitution of India prohibits the employment of children below the age of 14 in any factory or mine. Further the Government has

enacted the Child Labour (Prohibition and Regulation) Act, 1986 abolishing the employment of child labour in certain industries while regulating it in others. The GOI has also announced a National Policy on Child Labour in 1987 aimed at rehabilitating children after withdrawing them from prohibited employment. The GOI, during 2001, has made elementary education a fundamental right making it mandatory for all children between 6 and 14 years to be in school.

The employment of children, however, is widespread and touches almost all the industries in the unorganised sector. The estimated figure on child labour ranges between 12 to 110 million. The GOI claims that there are 11.6 million child workers only. Mass illiteracy and wide spread poverty have been identified as major causes behind the existence of child labour. Most of these children are subjected to the worst forms of exploitation.

In recent years a number of programmes aimed at the removal of child labour from wage employment have been initiated by the government, employers' associations, NGOs and the trade unions. Most of the activities related to awareness generation. There is negligible attention given to strengthening the enforcement machinery. The employers' sensitization programmes, too, are not appropriately addressed. There is flaw in selection of target population also.

## 6.2 Trade Union Rights

Article 19 of the Constitution of India guarantees the freedom to form unions as a fundamental right in India. The Trade Union Act, 1926 also provides for the formation of trade unions by workers for redressal of their grievances. As of now there are estimated to be over 60,000 registered trade unions in the country. Most of them are affiliated to one or the other CTUOs. It is difficult to accurately assess the current strength of the trade unions as no more than 15% of the unions have been filing the mandatory annual returns to the government.

However, there are certain categories of workers such as civil servants, the police, the army, etc. who are debarred from forming and/or joining a trade union. The groups not covered under the provisions of the Trade Union Act have, nevertheless, formed their associations and are undertaking activities for and on behalf of their members and this includes going on strike, e.g. the case of strike by Bihar Police.

In recent years, some of the state governments have imposed restrictions on the formation of unions, and if formed then on, their functioning. For example, the state governments of Kerala and West Bengal had passed orders restricting the functioning of trade unions. The Haryana State government

has, on November 8, 2000, passed orders preventing its employees from going on strike.

### **6.3 Discrimination**

Article 16 provides that no citizen, on the ground of religion, race, caste, sex, etc., is discriminated against in respect of employment. The Payment of Wages Act as well as the Minimum Wage Act do not make any distinction between male or female workers. Nevertheless, in practice, the provisions of law as well as of the Constitution are openly flouted. Excepting the public sector undertakings and large private enterprises, there exist differential rates of payment for male and female workers. A child worker is also paid at half or third the normal rate which may not be as prescribed in the schedule of the Minimum Wage Act.

### **6.4 Forced Labour**

Article 23 of the Constitution forbids forced labour of any kind. The Bonded labour (Abolition and Regulation) Act also forbids forced labour of any kind and as such the bonded labour System in India is stated to be formally abolished with effect from February 1976. However, various studies on bonded labour in India show that the practice continues. In recent years high incidences of bonded labour have been found in the states of Bihar, Madhya Pradesh, Orissa, and Uttar Pradesh. Other studies also indicated that the plight of workers in the brick kilns and mines is no better than that of slaves. The same is the case with those working in building and road construction, agriculture and plantation, stone quarries, and other comprising parts of the unorganised sector.

## **7 Influence of Globalisation on ITUM**

The increased economic activities with more players have caught trade unions off-guarded. The concept of competition and individualism were alien issues as the national trade unions have been functioning in an environment of government monopoly and political party patronage. This is indicative from the fact that over 70% of the membership of trade unions, which is in any case confined to the organised sector representing less than 10% of workforce, is drawn from government-controlled corporations. The emerging scenario has thus further marginalized the already weak and fragmented Indian trade union movement.

The changed role of the government, dis-investment in PSUs, voluntary retirement schemes, and above all the new form of politicking have jointly

increased the ineffectiveness of traditional unions which, in turn, is resulting in their declining membership. The declining industries such as textile, jute, etc. have also lead to decline in the membership of unions such as National Labour Organisation (NLO), Rashtriya Mill Majdor Sangh (RMMS), etc. The fear of any further narrowing down of the already small membership base (representing less than 10% of Indian workforce) is forcing trade unions and their leaders to venture in new areas to enroll new members. Recently there have been moves to form trade unions in the unorganised sectors, including agricultural labour. The extent of success achieved has, however, been negligible.

Trade union leaders drew much of their power from their association with a political party. As such, INTUC which is affiliated to the Congress Party was better placed to get benefits for workers all the time the Congress Party had formed the government at the centre. Similar is the situation in the states where one or the other of the political parties forms the government. Consequently, it had been observed that the union closer to the party in power had been able to extract more for its members. Changing equations amongst political parties have lead to further marginalisation of trade unions as well as their leaders. There have been declining trends in so far as trade unions as the representative body of Indian workers are concerned. Intra and inter-unions' rivalry, conflicting interests of political party's of affiliation, ineffective and stale strategies, inconsistent policies and programmes, concentration of power in top leadership resulting in delayed and inconsistent reactions, politically biased motives, etc. have jointly led to declining powers of trade unions which in turn has resulted in distrust and revolt amongst rank and file. The changing trends in trade unionism, particularly in jute, textile, pharmaceuticals, telecom, etc. industries, are indicative of this state of affairs. The employers and the government, too, are finding it easier to sidetrack unions in the current multiple trade union environments with outside and politically supported leadership.

## 8 New Trends in Trade Unions

### 8.1 Emergence of Independent Unions

The ineffectiveness of politically affiliated unions as well as of CTUOs affiliated to one or another political party have created conditions in which workers found their membership in unions of little practical use. In fact, the common feeling among member workers of being „used“ by leaders for their personal or political interests is widespread. Workers feel that leaders and political parties are busy in scoring points over the rival groups despite of the fact that their very survival both as worker and human being is at stake. This condition has

led to the emergence of independent/unaffiliated trade unions, particularly, at plant levels, e.g. workers' initiatives at Kanoria and Victoria Jute Mills (West Bengal), Kamani Tubes (Maharashtra), Madura Coats (Kerala), etc. The enterprise level independent unions are also functional at SEIMENS, Brooke Bond, PHYSER, and other multinational companies. While in other cases, e.g. Indian Drugs and Pharmaceutical Ltd. (IDPL), the unions have joined together, against the wishes of CTUOs, to sign an agreement with government/employers accepting, among others, wage cuts.

This is indicative of changing trends in Indian trade unionism where, in some places, independent and affiliated plant level unions are successfully competing with the recognized and rather ineffective affiliated unions to represent workers at a particular plant. In this process they are finding themselves more acceptable by workers as well as by employers who find their demands and pattern of negotiation more reasonable and attuned to the existing situation in the organisation/enterprise.

## **8.2 Merger Moves**

Faced with a situation of declining membership and the fear of losing its relevance, the CTUOs are taking initiatives to fight unitedly. In the last twelve months alone there have been many cases where the CTUOs, including those having affiliation to left parties, have joined together to fight for the cause of workers, e.g. against closure, dis-investment, privatization and/or modernization moves of the National Textile Corporation (NTC), banking and insurance sectors, etc. and these have produced some positive results.

As a consequence there are moves for merger among CTUOs. AITUC and HMS have for long taken steps towards their merger. In this connection the HMS Executive Committee conveyed its acceptance to the AITUC proposal of merger. AITUC's General Secretary in his inaugural speech at AITUC's annual convention made public the intention of AITUC and HMS to merger. The issue of unification was discussed in the HMS Working Committee held on March 5-6, 1997. Subsequently, on March 18 the General Secretaries of AITUC and HMS addressed a joint rally of AITUC and HMS at Calcutta. AITUC's General Secretary further stated that other CTUOs, except BMS affiliated to BJP, have also been approached for possible merger. The merger move, however, failed, presumably because no agreement could be reached on its affiliation to international trade union bodies.

Again, on the occasion of the 27th Annual Convention, the President of INTUC on November 5th made a call for unity of the trade unions on the background of challenges posed by the globalisation process. Then, on December 15th at the annual convention, the AITUC Office bearers again called for a united trade union movement.

### 8.3 Distancing from Affiliated Political Party

Recent developments have shown signs of unions trying to distance themselves from their political party of affiliation. INTUC, for example, had opposed a number of policies of the federal government constituted by the Congress Party (I), the party to which INTUC is affiliated. Similarly, INTUC's leader Arif Ali and CITU's leader Wazibur Rehaman along with about 3,000 workers at Kanoria Jute Mill (Kolkata) deserted their respective unions to form the Sangrami Shramik Union (SSU).

The union leaders are now publicly claiming to be independent of political parties. A particular reference could be made to the INTUC annual convention held at Ranchi in Jharkhand where the office bearers repeatedly said that INTUC was independent of the Congress Party.

### 8.4 Professionalising Trade Union Management

To fight criticisms as well as to face the organised forces of the employers, trade unions, particularly CTUOs, through various research institutions such as the Ambekar Institute of Labour Studies, the Maniben Kara Institute, the National Labour Institute, etc., are trying to upgrade the quality of their leadership, personnel, as well as of services rendered. In this effort they are assisted by both national and international organisations which include the Friedrich-Ebert-Stiftung. The capacity-building activities include training programmes on management, gender issue, labour laws, information technology, strategic planning, networking, leadership development, etc.

### 8.5 Democratization of Unions

Till recent time the union elections used to be the affair of limited groups of people including political party workers. Labour leaders could manipulate things on the background of uninterested and unenlightened membership to maintain their leadership position. The changing scenario of India has, however, induced workers to be more active and militant. This is resulting in increased active participation of member workers, particularly young workers, in their trade union activities. This also implies that the functions and meetings of unions, now, have participation of a larger percentage of its member workers.

## 9 In Conclusion

The trends indicate that in the years to come the Indian labour market will be of a dual nature. The rapidly growing size of Indian population would

continue to expand the size of workforce that already stands at about 400 million. The majority of workforce would be unskilled/semi-skilled working on a casual basis. The number of casual workforce would be further enlarged by professionals and skilled workforce (particularly those employed in the information and technology and other emerging professional sectors) engaged on job/time contract basis. Lifetime employment, single skill, etc. would increasingly become a distinct entity. The number of government employees would continue to fall, as the recommendation of the Government's various committees indicate. Consequently, the nature of the emerging labour market is expected to be contractual, multi-skills, flexible and knowledge based.

No doubt that many of the employers have taken measures aimed at taking over the functions of trade unions. On the other hand the traditional manner of union functioning is proving to be futile in the emerging competitive industrial environment. Resultantly, unions have not only witnessed decline in their membership but also are facing competition from non-affiliated/independent trade unions formed by former members of the affiliated unions. Nevertheless, it would be wrong to suggest that any group other than unions themselves could effectively undertake the functions of trade unions, as the representative body of the working class.

Globalisation is a testing period for all social partners, more so for trade unions since it is the worker on who's shoulder the major burden of these transitory period falls. The unions, therefore, would have to take a comprehensive approach in meeting the emerging challenges of the New India.

ITUM has responsibility to ensure the application of trade union rights for all workers, irrespective of whether they are in the organised or the unorganised sector. Unions should do away with their habit of living on the past glory and must be forwardlooking. There is no alternative to systematic and professional management of the affairs of unions. Unionism is a serious business and services proposed to be rendered are of continuous and crucial importance and, therefore, *ad hocism* in the management of unions must go. Members willing to pay for the services would depend on the quality of services rendered by the union.

The primary function of trade unions, from the workers' point of view, is to protect and fight against the violation of their legal rights in the light of current norms of fairness, equality and social justice. Unions are also expected to strive continually for a better deal for employees in respect of monetary rewards, working conditions and control over work situation. The involvement of trade unions in the affairs of the larger community and in social and economic policies at various levels is, no doubt, important but is secondary to their primary responsibility as regards protecting the rights and interests of employees.

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**Appendix I**  
Indian Economy

Items	1990-1	1991-2	1998-9	1999-0	2000-1	2001-2
1. Growth rates (in %):						
GDP at constant factor cost	05.6	001.3	006.5	06.1P	04.0	05.4A
Industrial production (IIP)	08.2	000.6	004.1	06.7	05.0	02.3C
Of which electricity	07.8	008.5	006.5	07.3	04.0	02.7C
Agricultural production	03.8	-02.0	007.6	-0.9	-6.6P	06.9P
Foodgrain production	03.1	-04.5	005.9	03.0	-6.6P	06.8P
Export (BOP in terms of US\$)	09.0	-01.1	-03.9	09.5	19.6	00.6b
Import (BOP in terms of US\$)	14.4	-24.5	-07.1	16.5	07.0	00.3b
Of which POL	60.0	-11.7	-21.6	97.1	24.1	-14.6b
2. Foodgrains production (m tons)	176.4	168.4	203.6	209.8	195.9	209.2P
3. Electricity generated (m kwh)	264.3	287.0	448.5	480.7	499.6	383.2c
4. Average exchange rate (IRs/US\$)	17.94	24.65	42.07	43.33	45.68	47.49d
5. Growth rate of money supply (M3)	15.1	19.3	19.4	14.6	16.7	11.2e
6. Average rate of inflation in terms of WPI	12.1	13.6	05.9	03.3	07.1	04.4f
in terms of CPI	13.6	13.9	13.1	03.4	03.7	04.2g
7. As % of GDP (at current market price):						
Gross domestic savings	23.1	22.0	21.7	23.2	23.4	
Gross domestic investment	26.3	22.5	22.7	24.3	24.0	
Central government expenditure	17.3	16.2	14.7	15.4	15.3PU	16.4BE
Central government receipts	15.3	15.2	14.7	15.4	15.3PU	16.4BE
Gross fiscal deficit of GOI	06.6	04.7	05.1	05.4	05.5PU	05.1BE
Export fob (BOP)	05.8	06.9	08.3	08.4	09.8	
Import cif (BOP)	08.8	07.9	11.5	12.4	13.0	
Trade balance	-3.0	-1.0	-3.2	-4.0	-3.1	
Net invisible	-0.1	00.7	02.2	03.0	02.6	
Current account balance	-3.1	-0.3	-1.0	-1.1	-0.5	
Total capital flow	02.7	01.7	01.9	02.4	01.8	
Net foreign investment (BOP)	0.03	0.05	00.6	01.2	01.0	
Net foreign direct investment	0.03	0.05	00.6	00.5	00.4	
Portfolio investment	neg.	neg.	-0.0	00.7	00.6	
8. Parameter for external debt:						
External debt/GDP ratio (%)	28.7	38.7	23.6	22.2	22.3	21.0h
Debt service ratio (%)	35.3	30.2	18.0	16.2	17.1	
Debt/export ratio	454	467	283	262	222	
Short term debt to total debt ratio (%)	10.2	08.3	04.4	04.0	03.5	02.8h
9. Foreign exch. reserves (US\$ bill)	05.8	09.2	32.5	38.0	42.3	49.5
Imports cover of foreign exch. Reserves (in no. of months import)	02.5	05.3	08.2	08.2	08.6	09.6

A: advance estimates; P: provisional estimates; PU: provision & unaudited; RE: revised estimates; BE: budget estimates; E: expected.

b: during April-December, 2001 (DGCI&S data); c: during April-December, 2001; d: average of April, 2001 - January, 2002; e: Annual growth rates as on January 11, 2002; f: Average based on April, 2001 - January 19, 2002; g: April-December 2001 (average based); h: at the end of September 2001.

Source: GOI (2002): *The Economic Survey 2001-02*, Ministry of Finance, New Delhi.

**Appendix II**  
Employment in the Organised Sector

Year	Share in Employment – Public Sector	Annual Growth – Public Sector	Share in Employment – Private Sector	Annual Growth – Private Sector
1961	58.3		41.7	
1971	61.4	3.4	38.6	0.9
1981	67.7	2.7	32.3	2.3
1991	71.3	1.5	28.7	1.3
1992	71.0	0.8	29.0	2.2
1993	71.1	0.6	28.9	0.1
1994	71.0	0.6	29.0	1.0
1995	70.7	0.1	29.3	1.6
1996	69.5	-0.2	30.5	5.6
1997	69.2	0.7	30.8	2.1

Source: *Statistical Outline of India (1999-2000)*, Tata Services Limited, Mumbai.

**Appendix III**  
Important Labour Laws

Enactment	Objectives
Minimum Wages Act, 1948	To fix and revise the minimum rates of wages in scheduled employment. (As of now there are 40 such scheduled employments as included in the enactment.)
Payment of Wages Act, 1936	To regulate payment of wages to certain classes of workers. It seeks to provide speedy and effective remedy to employees arising out of illegal wages deductions or unjustified delays in payment of wages. Wages period and methods/modes of payment are also stipulated.
Contract Labour (Regulation & Abolition) Act, 1970	The act seeks to regulate employment of contract labour in certain establishments and to provide abolition in certain circumstances. Specifically, the act provides for registration of establishment engaging contract labour, licensing of contractors, provisions of welfare and health amenities for contract workers and stipulation of liabilities of principal employers.
Inter-State Migrant Workmen (Regulation & Employment of Conditions of Services) Act, 1979	The law regulates employment of inter-state migrant workmen and provides for their conditions of services, registration of principal employers, licensing of contractors engaging inter-state migrant workmen and lays down the manner of regulation of wages and provision of welfare and other facilities.
Bonded Labour System (Abolition) Act, 1976	It provides for the abolition of bonded labour system so as to prevent economic and social exploitation of workers, termination of liability to repay bonded debt, liberation of encumbered properties from encumbrance, protection against eviction from house stades, etc.
Child Labour (Prohibition and Regulation) Act, 1986	It provides for the prohibition of employment of children in hazardous occupations and processes; and regulates conditions of work in all others.
Children (Pledging of Labour) Act, 1933	The act prohibits pledging of the labour of children.
Beedi and Cigar Workers (Condition of Employment) Act, 1966	The act provides for the welfare of workers in beedi and cigar establishments and regulates all conditions of their work.
Welfare Cess and Fund Act (covering workers in beedi Industry, cine industry and in iron ore, manganese ore, chrome ore, lime stone, dolomite and mica mines).	These laws provide for collection of cess and creation of funds out of such collections to provide welfare for then respective categories of workers.

**Appendix IV**  
List of ILO Conventions Ratified by India

SL. No.	Conv. No.	Title	Year Adopted	Ratified by India
01	001	Hours of Work (Industry) Convention	1919	14.07.1921
02 <sup>1</sup>	002	Unemployment Convention	1919	14.07.1921
03	004	Night Work (Women) Convention	1919	14.07.1921
04	005	Minimum Age (Industry) Convention	1919	09.09.1955
05	006	Night Work for Young Persons (Industry) Convention	1919	14.07.1921
06	011	Right of Association (Agriculture) Convention	1921	11.05.1923
07	014	Weekly Rest (Industry) Convention	1921	11.05.1923
08	015	Minimum Age (Trimmers and Stokers) Convention	1921	22.11.1922
09	016	Medical Examination of Young Persons (Sea) Convention	1921	20.11.1922
10	018	Workmen's Compensation (Occupation Diseases) Convention	1925	30.09.1927
11	019	Equality of Treatment (Accident Compensation) Convention	1925	30.09.1927
12	021	Inspection of Emigrants Convention	1926	14.01.1928
13	022	Seamen's Articles of Agreement Convention	1926	31.11.1932
14	026	Minimum Wage - Fixing Machinery Convention	1928	10.01.1955
15	027	Marking of Weights (Package Transportation by Vessels) Convention	1929	07.09.1931
16	029	Forced Labour Convention	1930	20.11.1954
17	032	Protection Against Accidents (Dockers) Convention (Revised)	1934	13.01.1964
18 <sup>2</sup>	041	Night Work (Women) Convention (Revised)	1935	25.03.1938
19	042	Workmen's Compensation (Occupation Diseases) Convention (Revised)	1948	13.01.1964
20	045	Underground Work (Women) Convention	1947	25.03.1938
21	080	Final Articles Revision Convention	1948	17.11.1947
22 <sup>3</sup>	081	Labour Inspection Convention	1947	07.04.1949
23	088	Employment Service Convention	1948	26.04.1959
24	089	Night Work (Women) Convention (Revised)	1948	27.02.1950
25	090	Night Work of Young Persons (Industry) Convention (Revised)	1948	27.02.1950
26	100	Equal Remuneration Convention	1951	25.09.1958
27	105	Abolition of Forced Labour	1957	18.05.2000
28	107	Indigenous and Tribal Population Convention	1957	29.09.1958
29	111	Discrimination (Employment & Occupation) Convention	1958	03.06.1960
30	115	Radiation Protection Convention	1960	17.11.1975
31 <sup>4</sup>	116	Final Articles Revision Convention	1961	21.06.1962
32 <sup>4</sup>	118	Equality of Treatment (Social Security) Convention	1964	19.08.1964
33	122	Employment Policy	1964	17.11.1998
34 <sup>5</sup>	123	Minimum Age (Underground Work) Convention	1965	20.03.1975
35	136	Benzene Convention	1971	11.06.1991
36	141	Rural Workers' Organisation Convention	1975	18.08.1977
37	144	Tripartite Consultation (ILS) Convention	1976	27.02.1978
38	147	Merchant Shipping (Minimum Standards) Convention	1976	20.09.1996
39 <sup>4</sup>	160	Labour Statistics Convention	1985	01.04.1992

1) Later denounced. The Convention requires, inter alia, furnishing of statistics concerning unemployment every three months, which is considered not practicable.

2) Convention denounced as a result of ratification of Convention 89.

3) Excluding Part II.

4) Article 8 of Part II.

5) Branches a to c and e and g are covered.

Source: GOI (1998): *Annual Report 1997-98 of the Ministry of Labour*, New Delhi, pp.179-180.

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