

✓

221

Topic notes

Structure of Trade Unions

The pattern and structure of trade unions, and the basis on which they are organised, do not admit of any simple generalisations. The structure of trade unions has been evolutionary- a process which is continuous. Unions in different countries have developed on different lines, depending on social and economic compulsions of industrialisation, political and historical factors and the institutional framework of the respective societies. And trade union movement in its attempt to adjust to changing factors itself undergoes changes though the process may be very slow. Government intervention through legislation and other action does play a role in giving a direction to the structure. But its role and impact again vary. Arrangement for tripartite consultations at the Centre and State levels and constitution of bodies like wage boards, had xxxxx impact on growth of industry-wise unions at State and All-India level. Legislative provisions too have played a minor role. Because of absence of any legislative provision for the recognition of unions and clear demarcation of the rights of a representative union and easy terms for registration there has been a mushroom growth of unions at plant level; provision in the B.I.R. Act permitting recognition of industry-wise unions has helped to some extent the growth of industry-wise unions.

2. In the Indian context, it would be appropriate to

DOCUMENTATION
GROUP N.L.L.
NOIDA

Contd.....

ACC. No.
DATE

L-221

3-2-99

broadly classify unions into four main types, viz. (i) plant level unions covering all ranks of workers without any occupational or craft bias; (ii) craft/category unions where the basis of organisation is employment in jobs requiring only particular skills or in particular categories; (iii) industry-wise unions, in this category will come unions which seek to organise all workers irrespective of grade/occupation or department to which they belong in a specific industry in a centre, region or country as a whole; and (iv) general unions covering workers of various categories in several units and industries.

3. The general pattern of organisation in India is the formation of unions at plant level. At the apex are central organisations which have their branches at a state level to which the plant unions are generally affiliated. This was an obvious trend as in the early stages when the bulk of labour consisted of manual workers with little difference in their skills with equal need for protection from exploitation and improvement of their conditions, organisation on plant wise basis covering all the workmen was necessary. While this has been the general pattern there have also been unions based on industry-wise combination or on the basis of craft or category of employees. The main reason for the development of unions on industry-wise basis has been concentration of certain industries in a particular area. For instance, cotton-textiles in Madras, Bombay and Ahmedabad,

Contd.....

Plantations in Assam, Jute in West Bengal, etc. With the setting up institutions like the Wage Boards, Industrial Committees, etc. the formation of industry-wise unions at all-India level has also got some fillip in recent years. In the eastern region jute, engineering, tea and coal are organised on industry-wise basis; others are generally plant-wise. In the northern region, sugar is an instance where unions have been organised on industry-wise basis; similarly in the western region, textiles have been organised. The latest development in this field has been the formation of all-India federations of industry-wise unions. Cotton-textiles, cement, plantations, sugar coal, Banks, Insurance and Iron & Steel are some of the industries where industry-wise unions at all-India level have come into existence. Ports and Docks and Road Transport are other instances. In turn, these all-India federations are affiliated to one or the other central organisations of workers.

4. Since Independence, there has been a split in the movement at the all-India level which has had its repercussions at lower levels - regional as well as plant. This trend in the movement can be mainly attributed to political developments. After Independence, four central organisations came into existence viz. AITUC, FMS, INTUC and UTUC, but of late, some other organisations at all-India level like Hind Mazdoor Panchayat and Bhartiya Mazdoor Sangh are emerging.

5. The tendency to form unions on a craft/category

Contd.....

basis appears to prevail in certain modern industries such as Air Transport and to some extent in Railways, Posts and Telegraphs and Shipping. It is more common in new industries based on modern technology and the growth of skilled technical categories of workers which gives rise to lack of homogeneity and very wide disparities in their salary scales.

6. Advocates of unions covering all workers without distinction of craft or category-either at the plant level or the industry level - base their case on the assumption that workmen are the primary interest of any union. Such unions also lend support to the solidarity of the workers and give strength to the trade union movement. They have been generally opposing the emergence of craft/category wise unions. The main advantage claimed by industry-wise unions is that collective bargaining at the industry level is facilitated by their existence and if collective bargaining is practised at industry level, uniformity is achieved in respect of conditions of work, wages etc. in different undertakings. Also according to them it will be easier to reconcile sectional claims and to achieve coherent policy. Another claim made is that negotiations on sharing gains of productivity and introduction of technological changes would also be facilitated. Further, it becomes easier for employers to negotiate when there is one union representing the interest of different sectional interests rather than negotiating with number of unions representing different categories of

Contd.....

workers. These in favour of craft/category wise unions argue that workers belonging to a craft have cbser common interests; their interests are apt to be ignored or likely to receive inadequate attention or appreciation in a union covering all categories and as such to safeguard and advance their sectional interests craft unions are advantageous. It is also argued that the increasing complexity of modern industry makes it difficult for industry-wise unions to function effectively and smoothly and that the growth of technology and new skills demand craft unions to serve their interests well. The lack of homogeneity and the rivalries between workers belonging to different craft groups also have often prompted these groups to form their own separate associations.

7. The Indian Labour Conference which discussed this issue in 1964 concluded that formation of departmental/category-wise unions was a factor likely to weaken the trade union movement and that every attempt should be made to disccourage formation of such unions. According to the conference, disadvantages of craft unions in the Indian context are obvious. With most trade unions confined to a single plant, the advantages of horizontal mobility will be absent and the disadvantage of having to bargain with too many unions in one plant would still prevail. They would add a new dimension to multiple unionism already prevalent.

8. Those who are in favour of plant-level unions are not

actually opposed to the formation of industry-wise unions, but are against the formation of craft unions. General unions at the plant level are necessary as the development of industries except in a few cases, is not confined to a particular region; mostly they are scattered and therefore there is no way out but to organise the workers in unions at plant level and then to build up a hierarchy at State and all-India level. The industry-wise unions at all-India level are also absolutely necessary in order to coordinate the activities of different unions at State level or at area level or even at plant level. Then, the activities of the industry-wise unions/craft-wise unions also need coordination at all-India level. In practice it is seen that many of the craft unions or industry-wise unions are affiliated to one or the other central organisations. General unions covering workers in several units covering different industries have come up in some industrial centres; but their appeal is rather limited.

Evidence before the Commission: ^{II}

9. The evidence reaching the Commission indicates an appreciation of the existing trade union structure based generally on plant unions, with area industry unions in some States (Maharashtra, Gujarat and Madhya Pradesh), as also a general support, for the development of industry-wise unions. Such industry-wise unions will have ultimately to develop into national unions and the ideal of one union in one industry is a goal worth striving for. Also by and large there is

agreement that craft/category-wise unions should be discouraged.

10. The views of the State Governments in regard to recognition of unions as sole bargaining agents indicate an implied acceptance of the continuance of plant-wise unions. Most of them, however, favour the growth and promotion of industry-wise unions on the grounds that such a union will be better fitted to promote their members interests through effective collective bargaining as they can view the matters affecting the industry as a whole in larger and broader prospective. As against plant-wise unions, industry-wise unions would be more broad based and better equipped financially and organisationally to serve the interests of workers. Such a union will also facilitate uniformity in approach to various problems and can be instrumental in maintaining healthy industrial relations. The States opposing the formation of such unions are of the view that even if industry-wise unions are introduced, individual grievances and matters specific to plants will have to be tackled at unit level. The formation of craft unions has not been favoured generally. Those in favour want that such a union should not enjoy any special privileges over the general union if the latter is in existence.

11. Most of the employers' organisations including some of the public undertakings have favoured the idea of industry-wise unions; those who do not favour it, seem to feel

Contd....

that industry-wise unions will create problems in the matter of recognition; also such unions cannot take into account the regional variations. The formation of category-wise unions is not favoured by the majority; a few who favour wish that the rights of the category-wise unions be restricted; they should be permitted only to deal with matters which are of specific interest to the craft.

12. By and large, workers' organisations are in favour of industry-wise unions. One central organisation has stated that it will help to standardise conditions of work, wages and other amenities in different establishments and thereby reduce industrial disputes at plant level. It will also help industry by eliminating chances of unfair competition between the different unions; also industry-wise unions with larger membership will be able to look after the interests of workmen in a better way. Two central organisations apprehend difficulties in the matter of recognition. Majority of the workers' organisations including three central organisations have opposed the idea of formation of category/craft unions. However, one central organisation while opposing the idea has expressed the view that technicians may be allowed to form such unions.

13. Only a few Study Groups have touched upon the subject. The Study Group on Jute is opposed to the idea of granting recognition to industry-wise association while that for Ports and Docks has favoured the idea. The Study Group

Contd.....

on Cotton-textiles is also in favour of granting recognition to industry-wise unions. Study Group on Air Transport is not in favour of recognising new craft unions or encouraging their formation. "It is necessary to take steps to ensure that craft unionism does not degenerate into fragmentation of unions and thereby bringing about the evils of inter-union and intra-union rivalries". Study Group on Rail Transport is also opposed to category-wise unions mainly on the ground the work of all categories in the Railways is inter-dependent and inter-linked and the problem of any single category cannot be decided in isolation. The Study Group on Industrial Relations (Northern Region) recommended that where there is already a general union in existence, formation of category/craft union be discouraged by imposing the condition of higher percentage.

Contd ...

III

International Experience

14. At present in U.K. there are three principal types of unions for manual workers viz. craft; general and industrial—some unions partake of the character of more than one of the principal types. However, the emphasis has been on formation of unions on occupational basis but since generally the negotiations are carried on an industrial basis, at the negotiating table workers' side comprises number of unions; sometimes these unions have come together in federations such as the Confederation of Ship Building and Engineering Unions, the National Federation of Building Trades Operatives. However, the constituents retain a very large degree of autonomy but federations are able to evolve a common view on matters which concern them all. The six growing and large unions e.g. Transport and General Workers' Union, the Electrical Trades Union, the National Union of Public Employees etc. affiliated to Trade Union Congress have a scope of openness of membership which is often combined with occupational or sectoral base. Another characteristic of U.K. trade union movement is the establishment of a single central organisation i.e. Trades Union Congress. T.U.C. is a coordinating body but it gives sufficient scope of freedom and autonomy in the functioning of affiliates.

15. The basic feature in the structure of the American labour movement is the local union. In the case of a

Contd....

craft union the workers of a particular craft are organised on area or locality basis; industrial unions may consist of all workers in a particular plant or group of plants in a given place. The majority of unionised workers are members of local union most of which are affiliated of national unions covering a particular occupation or in certain cases covering all workers in an industry. In 1960, there were practically 200 nation-wide organisations and 80 thousand local unions. The great majority of nation-wide organisations were affiliated to a single national trade union federation: the American Federation of Labour and Congress of Industrial Organisations (AFL-CIO). Before 1955, AFL-CIO were separate organisations. The national unions wield considerable influence over the locals. In the matter of launching a strike, negotiating collective agreements, etc., national unions prescribe detailed rules relating to conduct and procedural affairs of the locals. However, the locals have a very great importance in the American system as collective bargaining at the local level is the main plank of the American system.

16. In Sweden, the trade union movement is characterised by outstanding unity and cohesion. As at present, the trade union movement is organised more on the basis of purely industrial unions. In the initial stages the movement met a strong opposition from craft unions but today with a few exceptions (foundrymen, workers in the building and printing presses), manual workers employed

Contd...

in a particular industry are the member of only one union. This development has gone hand in hand with the growth of collective bargaining at industry level. The picture is somewhat different in case of non-manual workers.

A number of unions operate a single plant. At the apex in there are only two central bodies viz. Confederation of Swedish Trade Unions and the Central Organisation of Salaried Employees and majority of Swedish unions are affiliated to either of these two bodies.

17. Trade unions in Australia are said to have preferred to organise on industrial basis and there have been a number of successful amalgamations to achieve the direction. The Commonwealth Arbitration Legislation discourages registration of more than one union in an industry. The formation of industry-wise unions has been natural development. No doubt, skilled workmen are attracted to join craft unions but such craft unions are not many in existence.

18. In Russia, the All Union Central Council of Trade Unions (AUCCTU) which derives its authority from the All Union Congress of Trade Unions (AUCTU) is the central organisation of trade unions directing all union activities. The constitution and rules of trade unions lay down industrial principle i. e. all persons employed in a factory or establishment belong to one union and each trade union comprises of employees of one branch of the national economy. The underlying principle of Soviet

Contd....

trade union structure is democratic centralism. It governs the relationship between different levels of trade union organisation. Since lower trade unions are subordinate to higher level unions, the decisions taken by the latter have got to be accepted by the lower bodies, regardless of their views on them.

19. The most striking feature of the Japanese Trade Unions has been its 'Enterprise' basis of organisation. Practically 85th of all basic union units embracing almost 80% of total union membership are organised along enterprise lines i.e. the members are confined to a single shop, establishment or enterprise. The remaining are divided between the industrial unions and craft organisations. The enterprise unions generally include all branches and plants of a firm who are engaged in the production of single or multiple lines whether in one or several industries. The enterprise unions can take two forms of organisations: it may be purely a union at the plant level or it can be a federation with local branches or an enterprise wide federation or confederation of local unions. The majority of the enterprise unions include both white collar and production workers. They have national industrial unions and federations. At the apex there is multiplicity of organisations with rigid political biases.

20. Unions in Malaysia are a mixture of local craft and specialised departmental unions on the one hand and

Contd.....

industrial unions on the other hand. There are many unions made up of workers in a particular government institution or department and organised on a local, regional or even national basis depending on the shape of the department concerned. There are some relatively big unions comprising groups of workers in all/^{or}part of an industry or in a particular sector of economy which correspond more closely to larger unions of other countries. The multiplicity and variety in trade union organisation to some extent is counter balanced by the existence of regional and central organisations. Those that exist at present are however loosely organised bodies with no strong control over their members.

IV

Suggestions

21. Any suggestions as to the future development of trade union structure have to take into account the limits placed on it by the fast changing social, economic and political environment within which unions work and also widening functions and range of services which unions would be required to provide to members as a result of these changes. No suggestion, however apt it may be, in the present context which gives a kink to the movement - a departure from the present structure would work. It has to harmonise with natural growth of unions. Suggestions which may remove some of the

Contd.....

the present weaknesses of the movement and make unions adaptable to developments as a result of manifold changes that are taking place would be appropriate.

22. One of the most pressing needs for a solution to a structural and functional needs of a union is the question of adequate size; unions in order to discharge their functions satisfactorily and also to meet the future requirements have to be organisationally and financially viable. As at present practically about 80 per cent of the unions in India are having membership less than 500; obviously not much can be expected of such small unions. Multiplicity of unions whether due to craft basis of union organisation or others, has been one of the significant causes of smallness of unions. Of course, no dogmatic formula can be laid down as to the optimum size of the union. Only feasible way seems to be to curb the tendency of many unions to look after the interests of a group of workers. To achieve this, it is imperative to recognise only one union as a sole bargaining agent at plant/industry level. Encouragement to the formation of industry-wise/area-wise unions will be a step in the right direction. Reduction of organisation at the State and apex level is also called for. Tightening membership criteria for participation of unions at bipartite and tri-partite conference is a way to achieve reduction.

23. Formation of category-wise/craft unions should be discouraged as it will only add a new dimension to

Contd.....

the already existing multiplicity of unions. But at the same time, the argument that the demands of skilled categories are not appreciated or properly sponsored by a general union cannot be brushed aside easily. There may be cases where recognition to such unions may be desirable. The independent agency which is visualised for recognition of unions can be vested with powers to decide whether recognition of such a union is desirable in a particular situation or not. It is also hoped that plant/industry unions will in future develop their organisation in such a manner that allows adequate internal representation of the interests of particular category/craft or department groups. If unions fail to provide for such eventualities it will give rise to frustration, unofficial action or even breaking away of craft unions from general unions. However, this is an area which calls for action on the part of the organisations.

ML/