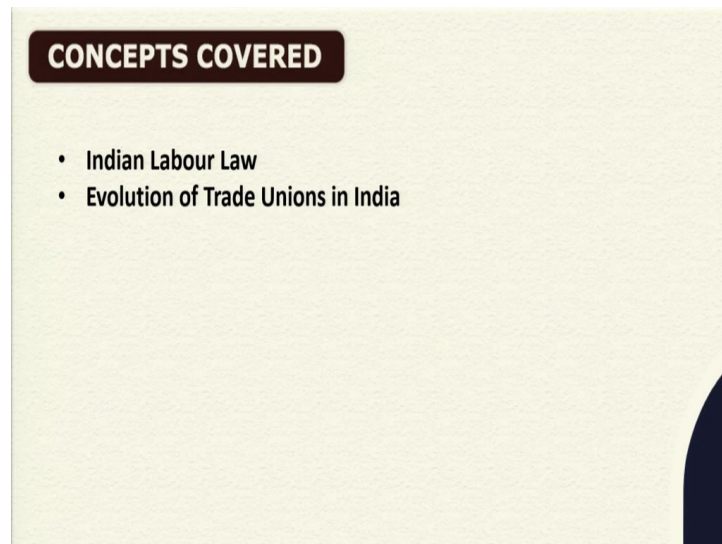


New Labour Codes of India
Professor K.D. Raju
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Lecture 06
Evolution of Trade Unions in India

Dear students in this class, we are going to discuss the trade union history in India. So, we have divided into many stages the evolution of trade unions in India. First of all, the colonial period, then after the First World War, First World War Two, the independence in 1947 and the post-independent time up to 1991.

So, if you ask what is the importance of 1991? So, we opened about the economy in 1991. So, scholars say that globalization started in 1990. So, India opened up its economy in 1991. So, we will see in between so, what happened during the emergency period in India also. So, what happened to the labour union movement at that point of time, then the post-globalization period from 1991 till date?

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So, if you look into the historical aspects of India. So, we can see that it is very closely connected with the independence movement in India.

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Trade Unions in India

- ❑ The trade unions protect and secure the interest, presenting the collective demands, grievances of the industrial worker.
- ❑ Development of trade unions was in sync with the development of the industry in India.
- ❑ In India, the first trade union came up in Bombay, after the establishment of textile mills in the 1850s. Trade unions came up in Calcutta, with the establishment of Jute Mills
- ❑ Though the origin of labour movements was traced to the 1860s, the first labour agitation in the history of India occurred in Bombay, in 1875. It was organised under the leadership of S.S Bengali.
- ❑ Sohrabji Shapuri Bengali and C.P. Mazumdar were the leaders and

But, if you look into it these are the trends during the British time. So, we know that the British came to India for trade then, and later on, they have become rulers in many places. And then they started they are looked India as a resource of raw materials and they set up their industries for making fine products in England. So, mostly the textile mills, India was a rich country with cotton.

So, they set up cotton mills all over the country in Bombay or Nagpur or in Chennai at that point of time Madras. So, if we look into these all scenarios of labour unions, at that point of time, it was connected with this organized sector of industry. So, the industrial worker collective demands, and everything was not recognized statically at that point of time. So, the textile mills in Bombay and textile mills in Nagpur, textile mills in Madras all these places where a lot of agitations and organized resistance have happened.

So, the first trade unions which you can see came up in Bombay after the establishment of mills in 1850. And you can see the trade unions come up in Calcutta because Calcutta was one of the places of jute mills. So, when it is 1816 labour agitations. So, many illustrations were passed after 1975 and some of the leaders, labour union leaders at that point of time talks about some of the leaders like S.S. Bengali, and CP Mujumdar. So, there is an uprising. So, we can say an uprising of Trade Unions under the leadership of these particular leaders.

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Trade Unions in India

- ❑ The first factory Commission set up in 1875 studied the problems of industrial workers.
- ❑ Consequently, the first factories act was passed in 1881.
- ❑ First trade union under the leadership of Narayan Meghji Lokhande -'Bombay Millhands Association', founded in 1884, without any funds, office bearers.
- ❑ In 1890, M.N Lokhande established the **Bombay Mill Hands Association**. This was the **first organised labour union in India**.
- ❑ Some other Trade unions are Ahmedabad Weavers (1895), Jute Mills, Calcutta (1896), Bombay Mill workers (1897) Union.

And also we were talking in the last class about the first factory commission, not the Labour Commission, first factory commission was appointed in 1875. Because before 1875, we can see there is a lot of resistance, basically based on these mills in Bombay, and other places Bombay, Calcutta, Madras and other places. So, the British appointed the first factory commission in 1875.

So, the work of the first factory commission leads to the enactment of the factory site in 1881. So, we can see the first legislation for the welfare of workers, factory workers fixing wages and or the regulation of working time holidays regulation of holidays etc are provided under the Factories Act 1881. So, the first trade union under the leadership of Narayen Meghji Lokhande, the famous trade union leader, which form the Bombay mill hands Association, they are founded in 1884.

So, Lokhande established this particular union without any office space and without any recognition. So, we can say that the first organized labour union, in India was formed by M.N. Lokhande in 1890 is the Bombay mill hands Association. And subsequently, we can see many trade unions like the Ahmedabad weavers trade union, the jute Mills Association in Calcutta in 1896, and Bombay Mills workers in 1897.

And subsequently, many unions emerged with this Bombay mill hands Association in 1890. So, we can see that these trade union organized trade union movements started with the Bombay establishment of the Bombay mill hands association in 1890.

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Trade Unions in India

- The first organized Trade Union in India the Madras Labour Union was established in 1918.
- Followed the organisational principles of the industrialised world.
- The first world war along with increased communication and better awareness of the global players contributed to the development of the movement.
- Recognised as the early phase of Labour Unionism.
- Some important Unions were -Ahmedabad Textile Labour Association (1917), All India Postal and RMS Association.
- All India Trade Union Congress is the oldest trade union federation, founded in 1920, under the leadership of Lala Lajpat Rai, Joseph Baptista, N.M Joshi and Diwan Chaman Lall.

So, Madras labour union was established much after, so, probably after the First World War, so, we can see this labour union was established in 1918. So, the First World War completely changed the labour union movement in India and also the Britishers started recognizing the early phase of labour unionism.

So, we can see that the Ahmedabad textile Labour Association, All India Postal RMS Association and All India Trade Union Congress, all India trade union Congress just founded in 1920 under the leadership of Lala Lajpat Rai and also N.M. Joshi and other leaders are the oldest union federation in India. So, during this particular period of time the First World War and the end of World War the total trade unionism changed a lot.

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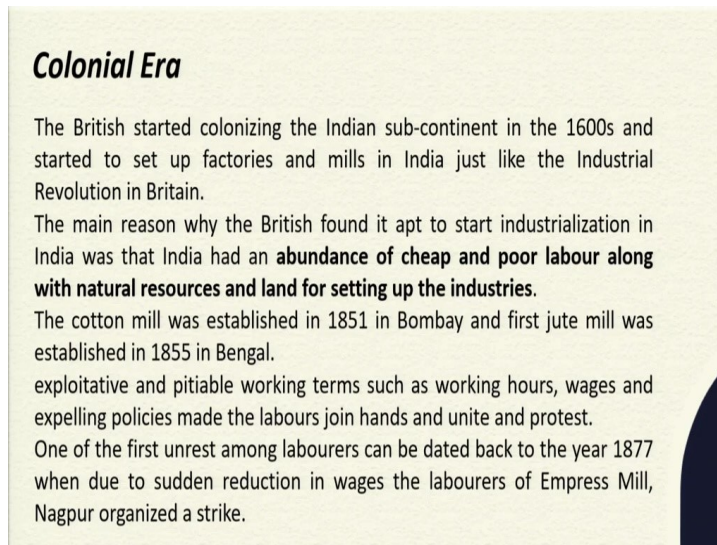
Phases of Trade Unionism in India

The trade union movement in India can be studied in three phases.

- The first phase covered the period from 1875 to the end of World War I. This phase was mainly characterized by a humanitarian spirit that was employed by the friendly societies in dealing with the labour.
- The second phase began from the end of World War I and went on till 1947, the year of India's independence.
- The third phase can be seen from 1947 to now, where apart from basic rights, social welfare is also being stressed upon.

And we can see the different phases of the trade union movement. So, it was basically the struggle against the Britishers at that point of time. And the second phase can be very well distinguished between the First World War and the second world war that is or the independence in 1947 of India. The third phase is can be from 1947 to what we said is 1991 then the post-globalization period.

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Colonial Era

The British started colonizing the Indian sub-continent in the 1600s and started to set up factories and mills in India just like the Industrial Revolution in Britain.

The main reason why the British found it apt to start industrialization in India was that India had an **abundance of cheap and poor labour along with natural resources and land for setting up the industries.**

The cotton mill was established in 1851 in Bombay and first jute mill was established in 1855 in Bengal.

exploitative and pitiable working terms such as working hours, wages and expelling policies made the labours join hands and unite and protest.

One of the first unrest among labourers can be dated back to the year 1877 when due to sudden reduction in wages the labourers of Empress Mill, Nagpur organized a strike.

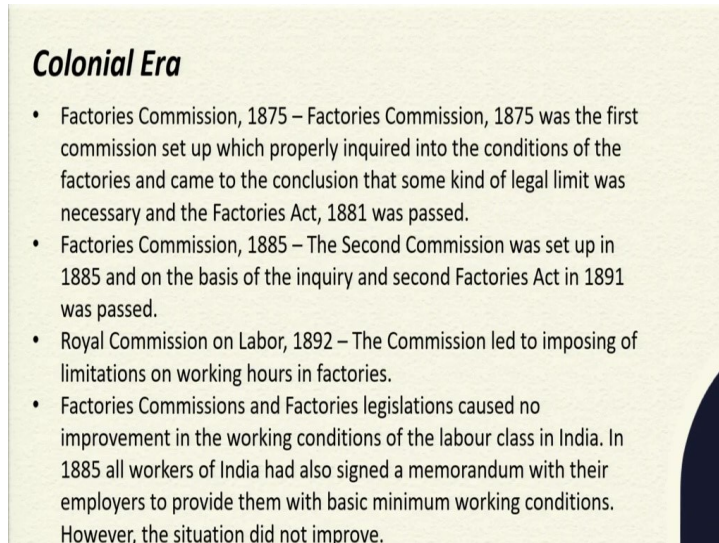
So, the British colonial time, we already said that the colonialization starting from the 1600s onwards the British policy of industrialization spread to India as well at that point of time. That is why the British spear equips in setting up factories all over the country for processing raw materials and they exported the process materials to England.

So, this was the whole plan of the industrial revolution in Britain. So, this industrialization plan was very clear. So, India was a place of a large number of raw materials, as well as an abundance of cheap labour in inverted commas, cheap labour or poor labour and an abundance of natural resources. This forced the British to set up this industry in India. So, we already said that the cotton mill was established in 1851 in Bombay and the first jute mill was established in West Bengal in 1855.

So, basically exploitation of totally natural resources, and the exploitation of workers are also the policy it is a part of their policy, extended working hours, poor working conditions, fewer wages and policies. Yeah, the famous hire and fire policy is not the contribution of globalization. The hire and fire policy is actually the British policy at that point of time.

And the protests, organized protests are suppressed at that point of time. And you can see that the sudden reduction of wages in some of the places like the Empress Mill in Nagpur led to the organized strike in 1877. So, the reduction in wages also depends upon the British industrial revolution at that point of time.

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Colonial Era

- Factories Commission, 1875 – Factories Commission, 1875 was the first commission set up which properly inquired into the conditions of the factories and came to the conclusion that some kind of legal limit was necessary and the Factories Act, 1881 was passed.
- Factories Commission, 1885 – The Second Commission was set up in 1885 and on the basis of the inquiry and second Factories Act in 1891 was passed.
- Royal Commission on Labor, 1892 – The Commission led to imposing of limitations on working hours in factories.
- Factories Commissions and Factories legislations caused no improvement in the working conditions of the labour class in India. In 1885 all workers of India had also signed a memorandum with their employers to provide them with basic minimum working conditions. However, the situation did not improve.

So, we already said that the factories commission was appointed and which leads to the enactment of the Factories Act in 1881. And the second commission was set up in 1885. And then, the Factories Act 1891 was passed according to the second factories commission report and also we can see the Royal Commission on labour 1892. So, the Royal Commission has imposed actually many limitations on the working hours in factories and come out with various labour-friendly policies we can say.

So, ultimately practically there were no improvements as such or working conditions of labour in India, even after the royal commission. So, in 1885 all workers signed a memorandum to provide basic minimum working conditions, but, nothing happened at that point of time and the working conditions were not improved. Even though it was a massive, agitation or we can say that massive work has been done by the workers at that point of time.

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Post World War I period

- When World War I broke out there was the sudden diversion of all resources to cater to war needs and the employers were dependent on the labourers. It then the labourers realized that the employers need them as much as they need their employers. This gave them a “**bargaining position**”.
- The first major trade union formed was the Madras Labour Union in 1918 under the presidentship of Mr B.P. Wadia. This was followed by the formation of the **All India Trade Union Congress in 1920.**
- With the formation of Trade Unions, the labourers started to organize strikes and protests to assert their demands such as lowering of working hours, minimum basic wages,

So, it means, the bargaining power of the workers was very less during the British period, but, the First World War changed to some extent. So, the diversion of resources to the war. So, the employees were mostly dependent upon labourers and labourers realized the Indian labourers realized that this is the correct time, a hard time for bargaining.

So, the bargaining position was higher at that point of time, immediately after the First World War or during the First World War period. So, we can see there are many agitations under the different leaders like the leadership of B.P. Wadia in 1918, the madras labour union was formed under the leadership of Mr. B.P. Wadia. And also we can see in 1920 we can say that the oldest trade union in India, the All India Trade Union Congress was formed 1920.

And also in the last class also we mentioned the actions by the Britishers against the Madras labour union. And Mr. B.P. Wadia was held responsible for Civil and criminal responsibilities imposed on Mr. B.P. Wadia for the strikes that happened in the mills in Chennai, the mills in Madras at that point of time. So, under these particular leaders at that point of time, ordinary strikes were started, or protests or demands were raised at that point of time for lowering working hours as well as for increasing or fixing minimum wages in certain industries.

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The Buckingham Mill Case

- To put an end to the activities of the newly formed trade unions and further to bar formation of Trade Unions the employers sought legal recourse.
- Cases were filed against Mr B.P. Wadia who was the President of the Madras Labour Union that he conspired with workers and went on strike and was restraining trade.

Contentions raised by the Employers:

- The strike is illegal because it amounts to a restraint of trade under Section 27 of the Indian Contract Act.
- The strike constituted criminal conspiracy under section 120A of the Indian Penal Code 1860.
- The strike also constituted civil conspiracy under civil law.

And we can see that one of the landmark agitations was the Buckingham mill case. So, the Britishers thought that there must be an end to the trade union activity or forming new trade unions. And there must be a restriction on the formation of trade unions. So, the legal course was taken. As I already mentioned that the cases were filed against Mr. B.P. Wadia who was president of the Madras labour union at that point of time.

So, a conspiracy case has been charged against Mr. B.P. Wadia because the workers went on strike. So, the employees want the strikes to be held illegal because they argued that it was in restraint of trade under the Indian Contract Act 27 At that point of time, but very interestingly, we can see that article section 27 of the Indian Contract Act is still there in the Indian Contract Act.

And also, the Indian penal code provisions on criminal conspiracy were imposed on the union leaders or labour union leaders and civil cases were also imposed for damages for the workers who went on strike. So, all these were the developments at that point of time to suppress the emergence of trade unions.

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The Buckingham Mill Case

The Hon'ble Madras High Court granted the injunction to stay the strike on three grounds:

- There was a valid cause of action in favour of employers.
- There was a breach of law by the labourers.
- There were losses suffered by the employers due to the actions of the trade union.

Until this time there was no legislation which gave legal force/backing to trade unions.

This growing need to have pro-labour legislation led to the passing of the Trade Union Act 1926.

The Preamble of the "*An Act to provide for the registration of Trade Unions and in certain respects to define the law relating to*

So, the Madras High Court granted an injunction to stay the strike on three grounds at that point of time, because the Buckingham mill case was one of the important case with regard to the emergence of trade unionism in India. So, the court found that there was a valid cause of action in favour of employees.

So, there was a breach of law by the labourers, and there were losses suffered by the employees due to the actions of the trade union. So, you can see all the reasons are in favour of employees at that point of time. But, there was no specific legislation. There is no specific legislation which recognizes trade union activities. So, the Buckingham mill case led to the enactment of the Trade Union Act in 1926.

So, we already said that the trade union act very clearly says to provide for registration of trade unions and certain defining certain law relating to the formation of trade unions and working of trade units.

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Post World War I

- Post World War I there was growing agitation against colonial rule. With the passing of the Trade Union Act, a lot of strikes and protests by the Trade Unions were witnessed.
- India also joined the International Labour Organization as a founding member.
- Movement came out stronger.
- Industrial Employment Act, 1946 and Bombay Industrial Relations Act, 1946 marked further strengthening of the Trade union movements.
- The movements also lent their voice to the national struggle and identified themselves as a crucial player in the national Struggle.

So, we can see that by 1926, the activities of trade unions were made legal in the post-World War, the First World War period. So, we can see, that there are a lot of activities and protest witnessed in India. So, the trade union movement was very strongly connected and related to the independence movement. And agitations were formed in many parts of India.

So, you can see that the industrial Employment Act was passed in 1946 and also the industrial Bombay Industrial Relations Act was also passed in 1946. Both the legislations strengthened the trade union movements, so, the trade union movements for their national struggle, so, it were identified and also recognized.

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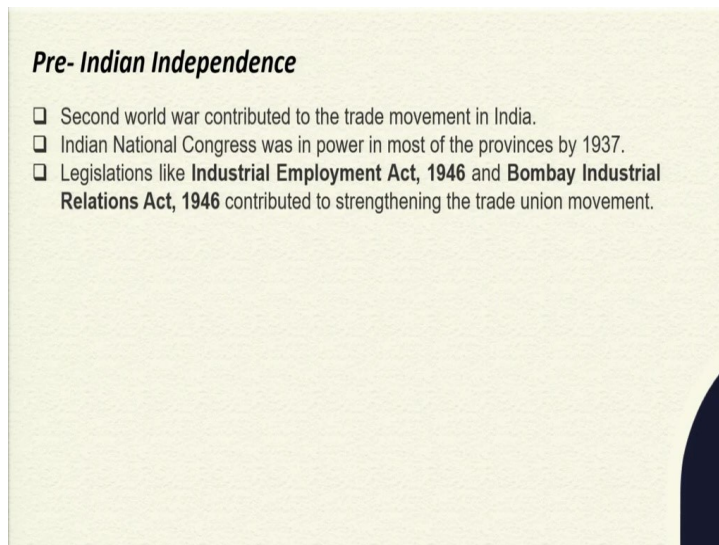
Post Indian Independence

- Though the 1926 Act provided for voluntary registration of Trade Unions it did not provide for compulsory recognition of the Trade Unions by the employers and because it was not compulsory for the employers to recognize the Trade Unions, they did not recognize them.
- The Act was amended in 1947 which provided for compulsory recognition by the employers of the representative Unions.
- The first organized Trade Union in India the Madras Labour Union was established in 1918.
- Some important Unions were -Ahmedabad Textile Labour Association (1917), All India Postal and RMS Association.
- All India Trade Union Congress founded in 1920, under the leadership of Lala Lajpat Rai, Joseph Baptista, N.M Joshi and Diwan Chaman Lall.
- Emergence of leadership like V V Giri, N M Joshi to moderate the movement ,trying to bring it back to mainstream.
- AITUC broke away forming factions – National Trade Union Federation (NTUF) and All India Red Trade Union Congress (AIRTUC), later they were merged again.

And we can see that in the post-independent time there will be a set of legislations. So, most of the legislation was amended and organized trade unions like the Madras labour union, or the other unions were recognized and we can see the emergence of many other leaders in the mainstream like us, V.V. Giri, N.M. Joshi, all these people who have come to the leadership of Indian trade unionism, and also we can see that the main trade unions were split up, or fractions within.

The best example was the AIRTUC broke out, the AIRTUC broke up at the national trade union federation and the All India Trade Union Congress. And there were two unions were formed from the breaking away of AIRTUC. And some of them were united later or merged later. And some of them were separated even after that.

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And as I told you, immediately after the Second World War, so, we can see the legislations like the Industry Employment Act, the Bombay Industrial Relations Act, which actually strengthen the trade union movement in India.

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Post Indian Independence

- ❑ In the Post-independence the Trade unions were more influenced by regional or national political affiliations, thereby blurring their own position with respect to the primary concerns of the workers.
- ❑ Witnessed rapid increase in numbers of trade Unions formed.
- ❑ Indian National Trade Union Congress was formed in 1947 under the aegis of **Sardar Vallabhbhai Patel**.
- ❑ Hind Mazdoor Sabha was formed in 1948
- ❑ Bharatiya Mazdoor Sangh was founded in 1955.

When you take the post-independence period, so, we can see that the Indian National Trade Union Congress was formed in 1947 under the aegis of our Iron Man of India, Sardar Vallabhbhai Patel and other trade unions like the Hind Mazdoor Sabha were formed in 1948. And Bhartiya Mazdoor Sangh was founded in 1955.

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During National Emergency 1975-77

- Nationwide Emergency imposed during PM Indira Gandhi's regime from 1975 to 1977 suspended all the Fundamental Rights **including the right to form associations and right to strike**.
- Post-Emergency the government had attempted to bring into force an industrial relations bill which aimed at banning strikes and lockouts in essential industries and services.
- However, the bill was met with strong opposition from different participants, specifically the trade unions. As a result, the bill was not passed.
- The trade unions had achieved a bargaining powers by this time and had become more organized and were able to meet their requirements by negotiations and strikes.

So, nationalized trade unions were formed during this period of time. So, specifically, we can see that there were restrictions on the trade union activities during the emergency period nationwide emergency declared by Shreemati Indira Gandhi the prime minister at that point of time, this period from 1975 to 1977.

So, especially fundamental rights were suspended during this particular time, including the right to form associations and the right to strike. So, again, there was the emergence of this trade unionism immediately after the emergency period aspect. So, we saw there is so many banning of strikes and lockouts in industries and services immediately after the emergency also.

So, you can see that, so, this particular bill made a lot of opposition's strong opposition from different participants, especially from trade unions. So, that bill was not passed. So, the trade union achieved bargaining powers immediately after this particular incident also happened. So, there was a very strong trade union movement, which you can find in the 1970s and 80s in India.

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Post Liberalisation

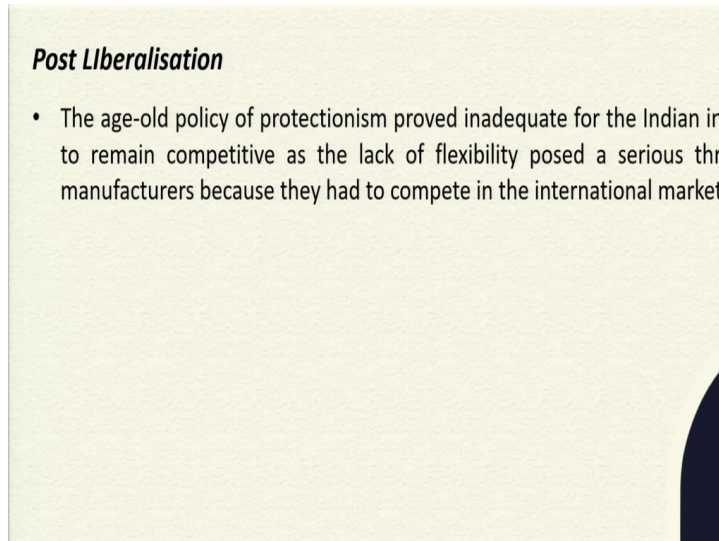
- In 1991 the Government decided to open the economy by introducing the "New Economic Policy" (NEP).
- Government's labour-friendly approach changed to be more investor-friendly.
- Due to globalization, there was massive cutting in the workforce and trade unions were trying hard to save labourers jobs.
- With the advent of liberalization in 1991, the industrial relations policy began to change.
- Now, the policy was tilted towards employers. Employers opted for workforce reduction, introduced policies of voluntary retirement schemes and flexibility in the workplace also increased.

So, when we look into the post-liberalisation period, especially the Indian economy opened in 1991 in accordance with we can say that the IMF loan or the conditional ties imposed by the IMF loan, India was forced to change its economic policies. They were supposed to change their economic policies and the new economic policies were adopted, New Economic Policy was adopted. So, the government was forced to amend many labour legislations to make mmmm investor friendly. And also, it is recommended the massive cutting of the workforce and there will be massive cutting of the labour force as well as labour jobs.

As I told you, in one way, in 1991, the IMF loan and subsequent reforms, the Indian we get said that the Indian labour legislations, so, long term India was benefited. And you can see a consistent economic growth after 1991. So, some scholars argue that these policies were in

favour of employees. So, the employees opted for workforce reduction. And also introduced the busted concept like voluntary retirement schemes and flexibilities in working time, flexibilities in wages and flexibilities in many areas of labour laws as imposed or implemented as a part of the conditionalities to IMF.

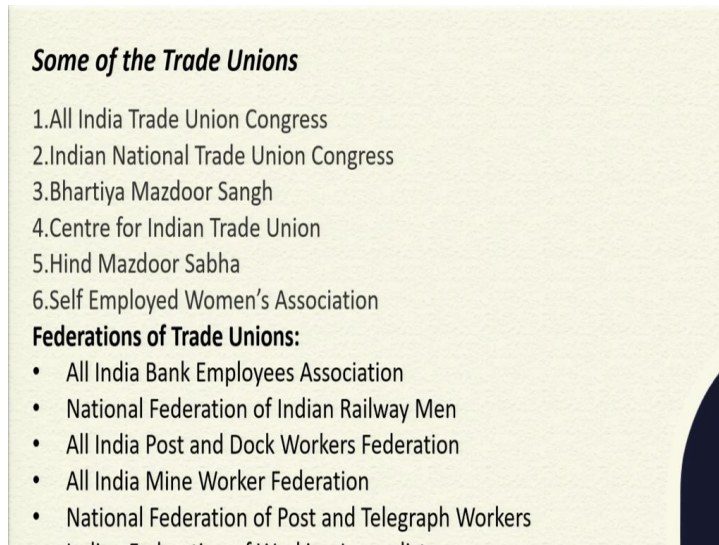
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And also we can see that, so, during the post-liberalisation time, we can see that the main objective of the government was to make Indian industries internationally competitive and also to make manufacturing India a manufacturing hub. So, we can see that consistently from 1991 the contribution to the GDP of whether it is the service sector is gone immensely up and the industry contribution of the industry has gone up, but the agriculture sector has gone down successively from 1981.

So, the concentration of industrialization or we can say that the effect of the New Economic Policy was on the complete economic growth of the country from 1991, contributed to the economic growth of the country from 1991. And some scholars argue that trade unionism has liberalized or I would say that diminished after the post-liberalisation period.

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Some of the Trade Unions

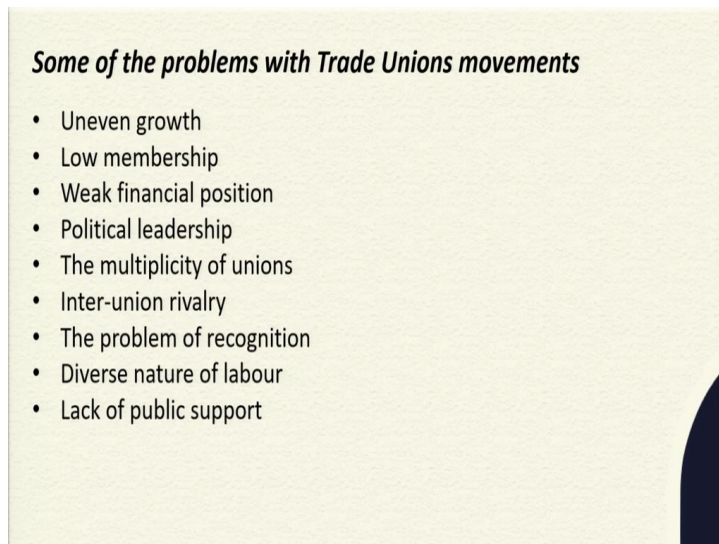
- 1.All India Trade Union Congress
- 2.Indian National Trade Union Congress
- 3.Bhartiya Mazdoor Sangh
- 4.Centre for Indian Trade Union
- 5.Hind Mazdoor Sabha
- 6.Self Employed Women's Association

Federations of Trade Unions:

- All India Bank Employees Association
- National Federation of Indian Railway Men
- All India Post and Dock Workers Federation
- All India Mine Worker Federation
- National Federation of Post and Telegraph Workers

So, if look into the trade unions, it is not only the trade unions but also the Federation in various areas as they came into existence, we can see that number of employee associations have also been established during this period of time.

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Some of the problems with Trade Unions movements

- Uneven growth
- Low membership
- Weak financial position
- Political leadership
- The multiplicity of unions
- Inter-union rivalry
- The problem of recognition
- Diverse nature of labour
- Lack of public support

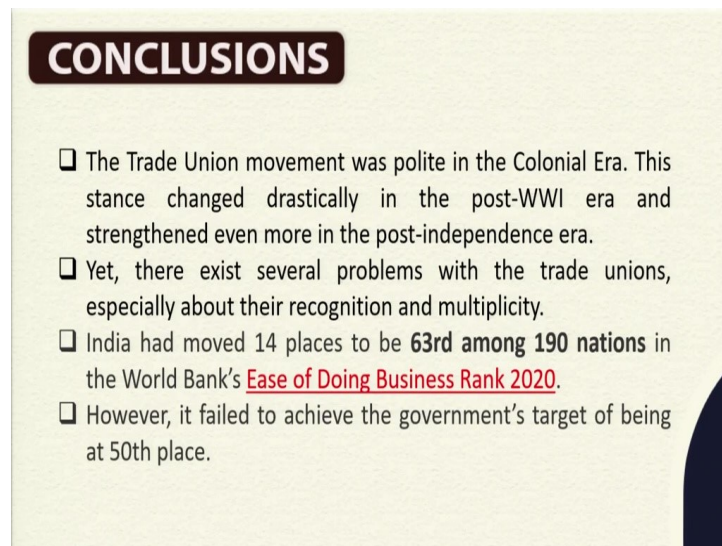
And we can see some of the main problems, of the trade union movements there, is the first one is the multiplicity of trade unions, the multiplicity of trade unions, decreased bargaining power and the uneven growth of trade unionism in the post-globalization period. There low membership criteria because as a part of the lowering of bargaining power, this is one of the reasons lowering of bargaining power is the low membership in trade unions.

Their big financial positions and most of the time, they depend upon their employees. These subscriptions are not sufficient for the working of the trade unions. And then we should not have a lead absence of visionary leaders like the absence of visionary leaders like Sardar Vallabhbhai Patel or B.P. Wadia. The political leadership charismatic lack of charismatic political leadership is another reason and then, in the Union rivalry is pointed towards the diminishing of trade unionism in India.

And the problem of recognition. The second labour commissioner has very specifically recommended the recognition of trade unions that also in one way diminished the bargaining power of the trade union members and the diversification from organized to unorganized. So, more than 50 Crore workers are in the unorganized sector rather than in the organized sector is only 10 crore. So, the unorganized sector the lack of trade unions in the unorganized sector is also found to be another reason for diminishing trade unionism in India.

Then, in a period of time, the lack of public support is another reason is the diminishing point of trade union movements in India. So, we can see that the trade union movement on pre-Independence Day was very strong a lot of agitation was made and a lot of legislation was enacted in post-independent India.

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CONCLUSIONS

- ❑ The Trade Union movement was polite in the Colonial Era. This stance changed drastically in the post-WWI era and strengthened even more in the post-independence era.
- ❑ Yet, there exist several problems with the trade unions, especially about their recognition and multiplicity.
- ❑ India had moved 14 places to be **63rd among 190 nations** in the World Bank's **Ease of Doing Business Rank 2020**.
- ❑ However, it failed to achieve the government's target of being at 50th place.

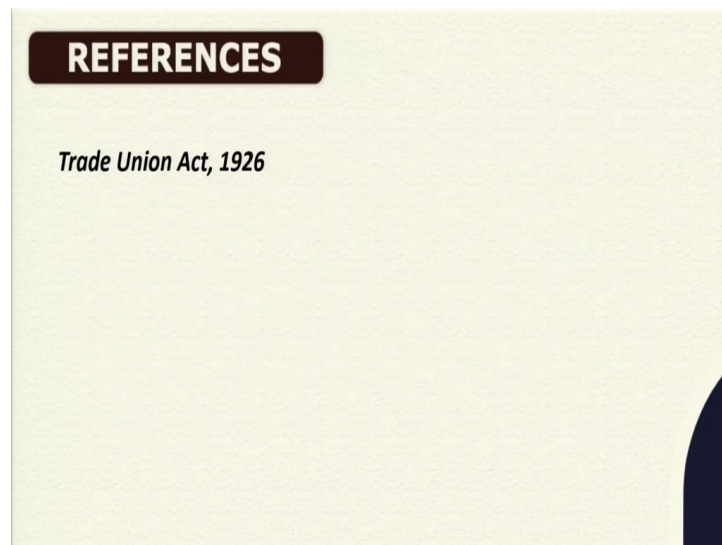
It is consolidated into various labour welfare legislations, but we take after the post-globalization period, there is a diminishing of trade unionism in India. So, we can conclude that trade unionism is contributed to the collective bargaining in India and the labour welfare in India, the labour welfare legislation in India, and the social welfare legislation in India.

Now, the government is more emphasis on the index, the various economic indexes like the ease of doing business. So, we are now in the 63rd position. So, we have improved, we have improved many places and we reached 63rd position in ease of doing business in 2020 in the World Bank ranking.

So, we have to improve if you want the economy to be taking it to the next level, then this ranking to be improved. So, the government is expecting they can achieve their objective of being the 50th below 50 positions after enacting the new labour coats the path-breaking or you can say that the historic amendments historic repealing of old called archaic labour laws to new modern labour codes.

So, we have to wait and see whether these labour codes are going to change the India labour movement in India or where it is for the welfare of debris. So, in the nutshell, we can see that the Indian labour movement contributed to the collective bargaining power in India.

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So, this is a nutshell of the labour movement in India. Thank you.