

# TRENDS IN TRADE UNIONISM IN THE ERA OF GLOBALIZATION WITH REFERENCE TO ODISHA

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**Abstract:** Globalization is a multi-faceted and multi-dimensional term that has a very broad definition and has become incorporated into various fields of study. It implies the opening of local and nationalistic perspectives to a broader outlook of an interdependent world with free transfer of capital, goods and services across the national frontiers. Globalization has led to the formation of new socio-economic and political conditions which have made it difficult for the trade unions to function in traditional ways. Globalization has resulted in the emergence of the state with an investor friendly, pro-employer policy and reduced role in industrial relations. The last few years have witnessed much advancement in labour and employment practices in India, especially in the fields of trade unions. The growth and development of trade unions has been a major factor in changing the labour scenario and the trade union movement has moved from the periphery to the centre-stage in a remarkable manner thereby affecting the decision making of potential investors. It seems that now-a-days regional integration and the globalization opened up for discussion a number of issues and question arising from comparative labour law and its application to legal regimes in Asian societies. Especially, this questions are important for thousands of migrant workers all around the world. As the modern global world provides labour force with many opportunities to move around, but provide little support and protection for the migrant workers. Trade unions of migrant workers has a major role to play in the era of globalization.

**Keywords:** Globalization, Trade Unionism, Liberalisation.

Trade Unions are voluntary associations of workers for collective bargaining or securing certain economic benefits for its members or better terms and conditions of service or employment or for imposing restrictive conditions on the conduct of any trade, business or industry through concerted action and for peaceful and harmonious industrial relations. These unions may also try to advance the social, political and cultural interests of its members through collective action.

The rise of modern trade unionism is a result of conditions created by the industrial revolutions. In England, trade unions and/or collective bargaining were outlawed from no later than the middle of the 14<sup>th</sup> Century when the ordinance of labours was enacted. In America, early industrial legislations were based on the policy of colonial governments. After independence, industrial legislation began to grow steadily in various states. The constitution of the erstwhile Union of Soviet Socialist Republics of 1936 governed the industrial relationship in that country. All powers in the USSR belong to the working people of town and country as represented by the Soviet of Working People's Deputies.

The Indian Trade Union Movement is more than 150 years old, with its origin in the 1850s. Trade Unionism in India developed quite slowly as compared to the western nations. Prompted by the poor working conditions under British imperialism, workers and social reformers began protesting for the betterment state of affairs, which than gradually lead to the formations of worker's unions wherever common interest were involved. However these organisations were mostly ad-hoc in nature and latest as long as the pressing issue did. They could hardly be considered trade unions in the current sense. The movement gained momentum in 1918 when the Madras Labour Union was formed with meal workers as members. The formation of the all India Trade Union Congress (AITUC) in 1920 gave a fillip to the organised labour movement in India. Just prior to

independence in 1947, the Congress created its own party-based trade union organisation. After independence other political parties as they gained National Standing sponsored their own trade union wings.

In Odisha, the presence of unions, before April 1, 1936, when Odisha was made a separate province, was sporadic in nature. The 'Rambha Rice Mills Labour Association' formed in 1935 became extinct after a brief existence. It could not make any specific contribution for the rice mill workers. However, it was not until the Indian Independence and consequent industrialization that trade union took any concrete shape. The development of modern factories created the necessary conditions for the emergence of trade unions. In the subsequent years development of industries in the State equally accelerated the expansion of unionism to its different parts.

International law relating to labour and trade unions developed after the First World War, with the establishment of the League of Nations and the International Labour Organization, following the Treaty of Versailles, in 1919. The objective of the International Labour Organization is to promote social justice and, thereby, to contribute to universal and lasting peace. Over the years, the International Labour Organization has issued for adoption by member states, a series of international labour conventions and recommendations relating to freedom of association, employment and social policy, conditions of work, social security, industrial relations and labour administration.

India has neither ratified the International Labour Organization convention on Freedom Association and Protection of the Right to Organize 1948 (C. 87), nor the International Labour Organization Right to Organize and Collective Bargaining Convention, 1949 (C. 98). Trade Unions in India are governed by the Trade Unions Act (TU Act), which was adopted for India in 1926. The Act aims at legitimizing the trade union movement by providing for the optional registration of the trade unions, and giving the officers and the members of the unions certain legal protection and adequate safeguards for the trade unions' activities. The object of introducing a system of registration was to encourage the establishment of permanent and stable bodies having adequate written constitutions and regular audited accounts. A registered trade union, is entitled to various benefits, privileges, protections, immunities and exclusive rights, compared to unregistered trade unions. Section 13 of the Trade Unions Act 1926 specifies that upon registration, a trade union gets a legal entity status, due to which it has perpetual succession and a common seal; can acquire and hold movable as well as immovable properties; can contract through agents and can sue and can be sued.

Registration and recognition of union by an employer are independent issues. Registration of Trade Union with Registrar has nothing to do with its recognition in a particular factory/company. There is no provision in the Indian Trade Unions Act or Industrial Disputes Act, 1947, the only two central enactments in this respect in the country regarding recognition of the trade unions by employers. Though the TU Act provided for the registration of trade unions complying with various specified requirements, it imposed no obligation on employers to recognize and deal with such registered Unions. In any case, registration is must, while recognition depends on multiple factors i.e., majority when there are multiple unions, management discretion etc. The question of recognition is governed by the guidelines in the 'Code of Discipline' voluntarily accepted by the employer and employees. The Code of Discipline is applicable only to workers and not to those in managerial or supervisory capacities. In as much as said Code applies only to 'workers', no recognition can be granted for composite unions.

Each state has its own set of criteria, including minimum requisite membership. Certain state governments have enacted legal provisions concerning the recognition of trade unions. For instance, in the state of Maharashtra, the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971, governs the aspects related to the recognition of trade unions that have not been specifically covered by the TU Act. Similar laws have been enacted in the states of West Bengal, Rajasthan, Andhra Pradesh and Madhya Pradesh. In some states recognition may be accorded by the employer based on the real strength of the trade union. The states of Bihar and Odisha have specific non-statutory provisions setting forth rules and principles for the recognition of trade unions. In Odisha, with regard to the method of recognition, the secret ballot has become a wider accepted method.

In the absence of any central legislations on the point employers have traditionally refused to recognize trade unions mainly on five grounds as follows:—

✎ Cases where office-bearers of the union were outsiders.

- ✍ Trade Unions involved in political activities and with ex-employees and outsiders who are disapproved of by the management.
- ✍ Unions that consist of only a small segment of the workforce in a particular industry and are hence unrepresentative.
- ✍ Existence of several rival unions, i.e. the problem of “multiplicity of unions”.
- ✍ Non-registration of Trade Unions under the Trade Unions Act, 1926.

Where trade unions are able to operate openly and are recognized by employers, they may negotiate with employers over wages and working conditions. The existence of a strong and recognized trade union is a prerequisite to industrial peace. Trade unions play an important role and are helpful in effective communication between the workers and the management, and decisions taken through the process of collective bargaining and negotiations between employer and unions are very influential.

The relations between Management and its employees are very important for industrial relations and its smooth functioning. Good Industrial Relations will lead to motivated employees as a result this will give rise to enhanced productivity. Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without co-operation of labours and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labour) and employers (management). Human resource management deals mainly with the maintenance of harmonious industrial relations.

The scope of industrial relations includes three distinct areas:—

- ✍ Relation between managers and individual workers;
- ✍ The collective relation between employers and trade unions; and
- ✍ The role of the government in the regulation of these relationships.

Trade unions provide a forum to help facilitate better industrial relations and improve productivity. As trade unions developed in India and collective bargaining became the rule, the employers found it necessary and convenient to deal with the representatives of workmen, instead of individual workmen, not only for the making or modification of contracts but in the matter of taking disciplinary action against one or more workmen and as regards of other disputes. Continuous bargaining is a method of collective bargaining which retains a permanent rolling negotiation between management and a permanent committee of union representatives. Collective bargaining plays a vital role in settling and preventing industrial disputes. It is undoubtedly one of trade unions most effective methods. For ensuring workers’ rights in general. It has received universal acceptance as the best method of resolving industrial conflicts. Introducing the elements of democracy in industry and developing healthy industrial relations. It is only when unions are recognized by the management that they get the full-fledged rights as bargaining agents on behalf of workers. But, there is no legal obligation on employers to recognize a union or engage in collective bargaining.

Collective bargaining in India has been the subject matter of industrial adjudication since long and has been defined by the law codes. In *Karol Leather Karamachari Sangham v. Liberty Footwear Company*, the Supreme Court observed that “Collective bargaining is a technic by which disputes as to conditions of employment is resolved amicably by agreement rather than coercion”. According to the court, the Industrial Disputes Act, 1947 seeks to achieve social justice on the basis of collective bargaining.

With regard to strikes, the Trade Union Act, 1926 for the first time provided limited right to strike by legalizing certain activities of a registered trade union in furtherance of a trade disputes which otherwise is breach of common economic law. Now-a-days, right to strike is recognized only to a limited extent permissible under the limits laid down by the laws itself as a legitimate weapon of trade unions.

Prior to 1991, the industrial relation system in India sought to control conflicts and disputes through excessive labour legislations with the advent of liberalization in 1992, the industrial relation policy began to change. Now the policy has tilted towards employers. Employers opted for work force reduction, introduced policies of voluntary retirement schemes and increased flexibility in workplace. Thus, globalization brought major changes in industrial relation policy in India.

In India, including Odisha, the functioning of trade unions is influenced by a number of factors. Such problems include multiplicity of unions and recognition of unions. The trade unions constantly compete with each other to represent workmen of as many organizations as possible. This is because conducting a Trade Union is a “profitable” business for many, if not all, so called Trade Unions.

In Odisha, the growth and development of industries, different policies adopted and change in power politics in the State has affected the trade union movement. Over the years, the number of trade unions and the union density rate have increased. However, this growth does not indicate the quality of trade unionism. This is because, trade unions in the unorganized sector account for larger membership than in the organized sector. The infighting in the union has negative effects on the union as well as on the development of industries. It impairs the carrying out of the basic functions within the union. The rivalry within unions has also led to emergence of new unions. Not infrequently the source of labour trouble in Odisha was inter and intra-union rivalry.

Regarding the impact of globalization on the trade union movement, Mr. Bal Krishna Sahoo, the former Labour Commissioner of Odisha stated: “During globalization, the employers and their organizations have been more powerful. The number of man-days lost due to lockout is eight times the strikes. The intensity of lockouts is more. Thus, the trade unions have been weakened.”

## Findings and Conclusion

In Indian Labour arena we see many unions, which causes intra-union and inter-union rivalry and thus loss of precious resources that can be used for worker’s welfare; multiplicity of unions and inter-union rivalry. Politicization of unions causes the unions to overlook the true welfare and benefits of the worker. Outside leadership causes the unions to lose focus because such leadership does not understand the problems of the labourers. Closed shop/Union Shop companies forces labourers to join the union and thus causes monopoly. Close shops/Union shops are now illegal in many countries. Statutory provisions for recognizing unions as bargaining agent are absent. Sometimes, the employers do not recognize unions. The attitude of judiciary towards workers has not proved conducive to the peaceful industrial relations. It is accepted that the end of judicial proceeding is pain and penalties. It cannot solve the problems of industries. While legislations, rules, regulations, punishments and penalties have their place in the ordering of the industries. They do not touch the core of the problems of the industrial relations. In India, workers’ participation in management has achieved only partial success due to factors like lack of proper education among workers, lack of understanding between the management and the workers and multi-unionism.

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