

Reforms spur unions into coercive action

Trade unions complain they were not sufficiently consulted when government proposed a series of labour law reforms

Somesh Jha | New Delhi July 16, 2015 Last Updated at 00:49 IST



India's national trade unions, which had maintained an unusually low profile in the past several years and had remained near-dormant, seem to have suddenly woken up. The National Democratic Alliance (NDA) government's series of labour law proposals seems to have galvanised them into action. In spite of their different political affiliations, they are joining hands to unanimously protest the proposed changes.

"Our actions are resulting in fruitful reactions from the government," said BN Rai, general-secretary, Bhartiya Mazdoor Sangh.

After constant pressure from the trade unions, the Union government had to organise the Indian Labour Conference (ILC) after two years. AK Padmanabhan, President, Centre of Indian Trade Unions (CITU) said the trade unions had suggested four items to be included in the conference agenda, including discussion on labour law reforms, and all of them were taken on board. The conference, to be held on July 20 and 21, will coincide with the beginning of the Monsoon session of parliament where the government is expected to push for several labour law Bills. Prime Minister Narendra Modi will likely deliver an inaugural speech.

On May 26, the first anniversary of the government, the trade unions organised a national convention and declared a day's strike on September 2 in protest of the recent actions of the government.

Trade unions, including the BMS, launched strong attack on the government's "unilateral approach".

To get the unions on board, the Prime Minister's Office (PMO) had to constitute a ministerial panel to talk to them. The five ministers in the panel included: Union Finance Minister Arun Jaitley, Petroleum Minister Dharmendra Pradhan, Labour Minister Bandaru Dattatreya, Power Minister Piyush Goyal and minister of state in PMO Jitendra Singh.

Simultaneously, in the tripartite meetings where the labour law proposals are discussed, the trade unions have been pressing the government to include their demands into the proposed laws.

For instance, in the small factories Bill, when the Union labour ministry had proposed for separate provident fund norms for factories employing up to 40 workers, these were strongly opposed by the unions. Dattatreya intervened and assured the unions no social security norms would be touched while introducing this law.

Four meetings had to be held with the labour unions and industry before finalising the draft Bill. The Union government has proposed the Bill to exempt factories with up to 40 workers from provisions of 14 labour laws.

Government officials, however, are upset with the union's protest to it. "For the first time, even factory which employs a single worker will be covered under a labour law. This Bill doesn't exempt small factories but creates a separate and simplified legislation for them," said a labour ministry official, on condition of anonymity.

The proposed Industrial Relations Bill, which eases retrenchment norms and tightens trade union rules, made the union leaders more upset. Failing consensus, the government formed a sub-committee of workers and employers to look into the provisions in detail and suggest recommendations.

The recommendations proposed by the committee are related to recognition of trade unions, forming a separate fund for retrenched workers and creating dispute mechanism to quickly redress worker's complaints.

Experts believe trade union actions have also become more constructive.

"Trade union activity in the country continues to be robust although at the same time, constructive. While certain recent proposals have been opposed, given the fact that labour laws eventually need to be reformed in view of the changing business environment, it is hoped that the unions work closely with the government to find solutions to bolster the industry while upholding workers' interest and welfare," said Ajay Singh Solanki, senior member, Employment & Labour Laws Practice, Nishith Desai Associates.

The trade unions have also prepared a position paper, with the assistance of the labour wing of the International Labour Organisation (ILO) to remain aware of the government's labour law proposals. The position paper is believed to be a "reference toolkit for the trade unions' future actions."

Maria Helena Andre, director of ILO-Bureau for Workers' Activities (Actrav), appreciated the unity of trade unions in India and stressed upon the need for them to get involved at all stages of policy-making. "The trade unions need a good level of preparation - both technically and politically. It is not enough to oppose, but to justify

the stance," she said, adding, "The government's reform process has triggered the need for trade unions to be better prepared."

The Union government is in the process of rationalising the labour laws of the country and bringing comprehensive amendments to them. The trade unions have complained they were consulted on these matters only after the proposals were made public by the Union government.

"The government by virtue of its majority in the Lok Sabha is passing the laws without consulting the trade unions, but that doesn't mean the trade union movement is weak and is, in fact, a clear sign that the government is very authoritative. Even the investment of equity by EPFO was opposed by the unions in central board of trustees' meeting," said Gurudas Dasgupta, national general secretary of the All India Trade Union Congress (AITUC). Dasgupta has been associated with the trade union movement for the past three decades.

The trade unions maintain they are united in their protest.

"All the trade unions, including the BMS, have sufficiently reacted, and we will continue to run our campaigns together in future. There is a greater unity in the trade unions today compared to the past," said Indian National Trade Union Congress (INTUC) chief Sanjeeva Reddy.

WHAT HAS UPSET THE TRADE UNIONS

- Trade unions complain they were not sufficiently consulted when government proposed a series of labour law reforms
- Retrenchment norms eased and those related to trade unions tightened in the Industrial Relations Bill
- Trade unions fear chunk of workers will be thrown out from basic labour laws with implementation of Small Factories Bill
- Government, in the guise of curbing 'inspector raj', is diluting factory inspection norms
- Union labour ministry decided to invest five per cent in equity instruments - exchange traded funds (ETFs) - this year
- NDA government brought a proposal related to easing rules to hire 'fixed-term' workers (for a specific period) back on the table on industry demand