



## **Collective bargaining and political patronage in India: An evaluation**

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### **Abstract**

Collective bargaining, role of trade unions, political patronage of trade unions and its impact on collective bargaining, perception of the employees and its remedy.

**Keywords:** collective bargaining, trade unions, political patronage

### **Introduction**

Trade Union is an organisation of workers, acting collectively to protect the interest of the workers through collective bargaining as well to achieve common goals such as protecting the integrity of their trade, higher pay and working conditions. Trade Unions have three cardinal principles e.g. unity of strength, equal pay for equal work, security of employment. An individual employee/worker possesses very little bargaining power as compared to that of his employer. To come out from this situation, collective bargaining power is essential. The phrase "Collective bargaining" was first introduced by British Labour reformers Sidney and Beatrice Webb of Great Britain which was the home of collective bargaining in the 1890's. According to K-Alexander "Collective bargaining is a process of bargaining between the employers and their workers by which they settle their disputes among themselves relating to employment or non-employment or terms of employment or conditions of labour or the workman, on the strength of the sanctions available to each side". According to W. Friedmann "The vital significance of collective bargaining for the law of contract thus lies in its following aspects; first it resembles a standard contract of business and industry in that standardized terms regulate the conditions of employment of millions of individuals. Secondly it is a most important instance of a public law function delegated by the permissive or even imperative authority of the state from government to social groups. Thirdly, the freedom of the individual to bargain in his terms of employment is inevitably curtailed by the prevalence of collective bargaining. It is even excluded where the closed shop is recognized either legally or de facto. Fourthly this lack of freedom is compensated by a substantial restoration of equality of bargaining power. It is not the individual employee who has regained equality, but the trade union negotiating on his behalf. Although the trade union is not strictly speaking the agent it has in effect absorbed and consolidated the bargaining power formerly vested in the individual."

According to Harbison "Collective bargaining is a process of accommodation between two institutions which have both common and conflicting interests".

In the words of N.W. Chamberlain "Collective bargaining is

the process whereby management and union agree on the terms under which workers shall perform their duties." India is a founder member of the International Labour Organisation (ILO) which came into existence in the year 1919. A unique feature of the ILO is its tripartite character. The membership of the ILO ensures the growth of tripartite system in the member Countries. At every level in the organisation, governments are associated with the two other social partners namely the workers and employers. The right to collective bargaining is recognized through International Human Rights Conventions. Article 23 of the Universal Declaration of Human Rights recognizes the ability to joint trade unions as a human right. Item 2 (a) of the International Labour Organization's declaration also identifies the same. But in India due to political patronage of the Trade Unions in the participation of the workers under the leadership of the Trade Unions, in the tripartite character has become immaterial.

In India, collective bargaining was first introduced in the year 1952. India has ratified 39 ILO conventions of which 37 are in force of the ILO's eight fundamental conventions, India has ratified four e.g. Forced Labour 1930, Abolition of Forced Labour 1957, Equal Remuneration 1951 and Discrimination (employment and occupation) 1958.

According to the data of Govt. of India on strikes and lockouts (Indian Labour Statistics 2010) casual factor of 34.8% cases of recorded as indiscipline, 22% cases of industrial disputes are around demands for wages and allowances (in many cases demanding only minimum wages fixed by the government.) The bargaining strategy of Indian Trade Union has undergone a gradual change. A few common items that have become part and parcel of collective bargaining agenda of industries are: house rent allowances, leave travel concession, educational allowance.

Collective bargaining goes to show the reflection of a particular social and political climate. The history of the Trade Union movement shows that unions are affiliated to one or other political parties. As a result, most of the Trade Unions are controlled by outsiders. Critic says that the presence of outsiders is one of the important reasons for the failure of collective bargaining in India. Trade Union Act, 1926 permits one to be the leader of the union who does not actually work

in the industry. Sometimes a dismissed employee working as a union leader may create difficulties in the relationship both the union and the employer.

An industrial equilibrium is defined as a situation in which market demand and market supply for labour are balanced and in which profits so run that the expansion of the enterprises and the appearance of new ventures affect the shrinkage and disappearance of unsuccessful ventures to such an extent that the initial balance in the labour market continues.

When unions want to increase union member wages or request other concessions from employers they can do so through collective bargaining. Collective bargaining is a process in which workers through a union and employers meet to discuss the employment environment. Unions will present their issues and employers must decide whether to concede to the demands or to present counter arguments. The term "bargaining" may be misleading as it brings to mind two people haggling at a flea market. In reality the goal of the union is collective bargaining is to improve the status of the worker while still keeping the employer in business. The bargaining relationship is continuous rather than just a onetime affair.

Political partonage of trade unions has given a new direction to the movement whose centre of gravity is no longer the employers or workmen. The centre has shifted towards its leadership whose effectiveness is determined by the extent of political partonage and the consequent capacity to obtain the benefit.

The power of collective bargaining has now become weaker due to political influence which has dependence on outside leadership who are not well conversant with the actual situation of the workers as well as not conversant with the actual problems faced by the workers. Nevertheless, experience goes to show that the union leaders have little knowledge of the background of the labour problems, history of labour movement, fundamentals of the trade unionisms and with even little education and become the self appointed leaders of the union. The outside political leaders have a very little scope to participate in the collective bargaining process as the employers are reluctant to negotiate with those leaders regarding the problems of the workers. Moreover, presence of multi unionism in an industry destroys the bargaining power of the workers. It is a fact that our country permits multi unionism, but it is also a fact that multi unionism adversely affects collective bargaining powers. Also, usually there are close connections between trade unions and political parties and as a result the focus of trade unions is not always on collective bargaining. On realising the problems of participation of the outside union leaders in the union, the Industrial Relations Bill 1988 purposed to reduce the number of outsiders to two only. To overcome all those problems, the Trade Union Act, 1926 be amended by introducing presence of only one strong union with workers effective participation in a particular industry to protect and/or safe guard of the interest of the workers. Furthermore, positive thinking and/or attitude of the political parties is also very much required for the effective implementation of the power of collective bargaining.

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