



# MARCH TO PARLIAMENT ON 16 DECEMBER 2008

## Against the Violation of Labour Rights

The Indian working class movement had a glorious history of achievements in labour legislation through a large part of the twentieth century. The Industrial Disputes Act, 1948 along with the various additions to it through up to the 1980s provided a reasonably comprehensive legislation that regulates most aspects of employment relations. Social security measures including retirement benefits like provident fund and gratuity; health care benefits through the Employees State Insurance; maternity benefits for women workers were all important victories of trade union struggle. Indexation of wages to inflation and dearness allowance first came through struggles during the war years, even before independence. From the sixties to the eighties, further progressive legislation on regulation of industrial closure; regulation on industrial sickness; all contributed towards strengthening the working class in its relationship to capital.

A significant chapter in working class legislative reforms also came through trade union struggles in the public sector. These struggles in particular contributed to gains in employment tenure and through regularisation of contract employment. The implementation of the Contract Labour Regulation and Abolishment Act was largely a result of these struggles. Further gains were made in the field of collective bargaining, particularly wage bargaining, with industry level wage negotiations bringing significant gains. The gains were not only in terms of wage increases, but also high levels of wage equity within companies, and wage parity across industry through the expanded coverage of the industry-cum-region formula.

The period since the late eighties, and particularly from the nineties, when the country formally embraced economic liberalisation, has been a period of rapid decline of all these benefits.

The first attack of industry was on employment tenure. This started in the nineties with a series of so-called voluntary retirement measures in private industry. Many factories were emptied of tenured workers, using the carrot of large sums of money, along with the stick of violence from so-called yellow trade unions affiliated to right wing parties and management promoted unions. The public sector soon followed suit in pressing VRS. VRS in the public sector was also a convenient prelude to give a push for gradual privatisation. Government regulation on industrial closure, while still on the statute, became virtually non-existent. The procedures for obtaining factory closure also completely lack the mechanism to check the veracity of corporate financial data and hence allow companies to obtain permission through fraudulent data and information.

With decline in tenured employment came a decline in trade union strength. Trade unions of the left-democratic tradition, that had consistently resisted VRS found themselves in a defensive struggle. In this struggle, trade unions rights were eroded. A major casualty of this reduction in strength resulted in an attack on the right to collective bargaining. In the public sector, the periodicity of negotiations has increased from 3 years to 5 and even 10 years. In many private sector companies, trade unions for all practical purposes have lost the right to collective bargaining.

The nineties onwards is also the period when contract employment became the norm in industry. Legislation for abolishment of contract employment stands seriously diluted. Even in sectors of industry where tenure of employment exists on paper, lack of union strength and weakness in labour law regulation has made employment tenure a sham. Today, whether in the high end IT sector, or in the low end garment industry, there is no real barrier that management faces to a rule of "hire and fire". In the context, labour law violations are rampant. Whether it is non-payment of PF and gratuity; overtime work without payment; all forms of harassment at the workplace; arbitrary dismissals; individual workers find it difficult to stand up to these violations. The management can act with impunity, in the knowledge that the process of justice to workers through courts takes anywhere upwards of ten years, and that even if they are held at fault, they are liable for only a paltry fine.

For many employees today in the organised sector, the only real wage protection is the Minimum Wages Act. However, the implementation of this Act is woefully inadequate to meet demands of workers to maintain even a poverty level existence. In many states the Minimum Wages Committees have not sat for up to ten years, even though they are mandated to sit and revise wages at least once every five years. Even when wages are revised, management representatives get the revision stayed on one pretext or another.

The present phase of liberalisation has also freed the caps on executive pay and profit sharing. This has contributed to the growing income inequality in the country. Furthermore, while there is no ceiling on executive pay, bonus for workers remains capped. In 2007, the bonus ceiling for workers was raised after a gap of 14 years and is still below the wages of skilled workers contributing further to the inequality.

This is the context in which trade unions in the organised sector function today. Unions in the private sector attempting militant struggles to uphold organising and collective bargaining rights have to face the joint might of companies and the state machinery. Companies spend enormous sums of money to prevent democratic union formation. Attempts at union assertion are met with victimisation and mass dismissals. Police are used to forcibly quell peaceful struggles, as states compete with each other to show how investor friendly they are. Horror stories of police violence against Honda workers in Gurgaon were TV news for a day. However, many more such horror stories do not even surface. The never ending cycle of unfair labour practices committed by employers go unaddressed by government and collect dust with the judiciary, significantly undermining trade union rights.

Defending the right to association and resisting unfair labour practice has become a paramount task. NTUI affiliates including in multinational companies have made gains in defending union rights, and resisting unfair labour practices, closure and in unionising contract workers. The victories are however often treacherous coming so late that membership is more often than not exhausted by the struggle.

The global economic meltdown however presents a very different situation. While in the short run, it may lead to job losses, and pressures for wage cuts, in the long run it provides opportunity for political change. Politically, we have a much less confident government at the centre, faced with high inflation and an economic slowdown. Across the world, there is a definite swing towards demanding greater regulation and greater equity. This is a situation when trade unions can regroup and collectively confront the political establishment for better regulation of labour rights, and greater control over industry and capital. However the regrouping has to be on clearly defined positions. It has to be in opposition to dominant political parties, all of whom in less or greater degrees, have an ideological position that is pro-capital and anti-worker. It has to be for trade union democracy, at a time when the country is facing violent suppression of all forms of dissent. And the trade union movement has to reach out for solidarity with other social movements that share a common struggle against domination by capital.

**NTUI therefore demands:**

**ONLY 8-HOUR WORKING DAY**

**EQUAL WAGES FOR EQUAL WORK FOR CONTRACT WORKERS**

**RIGHT TO FAIR & SAFE WORK FOR ALL**

**REMOVE THE CEILING ON BONUS PAYMENT**

**THAT UNFAIR LABOUR PRACTICES ARE PROSECUTED CRIMINALLY**

**MAKE TRADE UNION RECOGNITION COMPULSARY**

**UNITY ? DEMOCRACY? MILITANCY**

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