The Need of Trade Unions in Emerging Sectors

Why in news?

With a greater number of layoffs happening across the major economies, there comes a debate on the need for labor unions in emerging sectors.

What are trade unions?

- A trade union is an association of workers formed for the purpose of protecting the rights of the workers and improving their economic conditions.
- It is a voluntary organization of workers formed to promote and protect their interests by collective action.

The Madras Labour Union was the first organised trade union in India that was created in 1918.

Need for Trade Unions

- **Better wages –** To improve the economic level of workers by securing them better wages.
- **Stability –** To ensure stable employment for workers and resist the scheme of management which reduce employment opportunities.
- **Protection –** To protect the jobs of labour against retrenchment and layoffs, etc.,
- **Legal assistance –** To provide legal assistance to workers in connection with disputes regarding work and payments.
- **Benefits –** To ensure that workers get as per rules Provident Fund, Pension and other benefits.
- **Self-improvement –** To inculcate discipline, self-respect and dignity among workers.
- **Improving productivity –** To generate a committed industrial work force for improving organizational efficiency and high productivity of the system.

What are the benefits of trade union?

- **Opportunity** - Union provides a worker an opportunity to achieve the objectives with the support of fellow colleagues.
- **Negotiation** – Union organize negotiation between workers and management and for settlement of disputes
- **Participation in Management -** Workers get an opportunity to take part in the management to place their opinions and oppose any decision which adversely affects them.
- **Beneficial to Employer –** Union organizes the workers under one banner and

encourages them to follow peaceful means for getting their demands accepted.
- **Collective action -** To overcome the weak bargaining power of an individual worker.

What are the current issues?

- **Problems for Startups –** Startups hardly have trade unions in their facilities and so retrenchments in these companies go uncontested.
- **Struggle for Emerging Sector -** Compared to conventional industries and financial sectors, forming unions in modern and emerging sectors is more difficult.
- **Union for IT sector –** As unions are associated with manual labour, IT employees are associated with elitism and professionalism and believed that they don't need unions.
- The existing unions in IT sector have to deal with both Indian and Western managements which is a huge ask.
- **Rights over duties** - One of the major defects of India's trade unions is that their members are more concerned with their rights than their duties.

Laws Governing Trade Unions In India

- **Article 19(1) (c)** of the Constitution guarantees citizens the right to create associations or unions, including trade unions.
- **The Trade Unions Act of 1926** governs the establishment and registration of trade unions, as well as the law governing registered trade unions.
- **The Industrial Disputes Act, 1947** oversees the rights of employers and employees in the investigation and settlement of industrial disputes, which includes trade unions.

References

1. The Hindu|The role of labour unions in emerging sectors
2. The Hindu|Mass layoffs shake up the tech sector
3. Legal Service India|Laws Governing Trade Unions In India

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