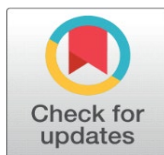
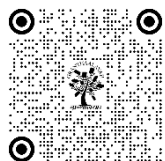


THE FUTURE OF SOLIDARITY: TRADE UNIONS IN A GLOBALIZED ERA

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ABSTRACT

India's industrial era began in the 1850s, led by British economic interests, supported by the country's abundance of cheap labour and raw materials. Early enterprises such as the Bombay Spinning and Weaving Company (1854) and Jamsetji Tata's cotton mills helped establish a modern industrial base. By 1881, over 2.6 million workers laboured in difficult conditions, long hours, child labour, arbitrary fines, and little regulation (Government of India, 1883). This exploitation spurred worker discontent, leading to early collective actions, including strikes in Bombay (1887) and Madras (1888).

1. INTRODUCTION

1.1. HISTORICAL TRAJECTORY AND STRUCTURAL SHIFTS IN TRADE UNIONISM

India's industrial era began in the 1850s, led by British economic interests, supported by the country's abundance of cheap labour and raw materials. Early enterprises such as the Bombay Spinning and Weaving Company (1854) and Jamsetji Tata's cotton mills helped establish a modern industrial base. By 1881, over 2.6 million workers laboured in difficult conditions, long hours, child labour, arbitrary fines, and little regulation (Government of India, 1883). This exploitation spurred worker discontent, leading to early collective actions, including strikes in Bombay (1887) and Madras (1888).

Narayan Meghaji Lokhande's Bombay Mill Hands Association (1884) was India's first union. Influenced by social reformers like Phule, Lokhande introduced key worker protections such as weekly holidays and lunch breaks. Labour activism in India paralleled global developments like the American Federation of Labor (1886), reflecting a broader reaction to industrial capitalism (Commons et al., 1918).

The founding of the All-India Trade Union Congress (AITUC) in 1920 marked a critical turn, embedding labour struggles in the nationalist movement. Legislation like the Workmen's Compensation Act (1923) and Trade Disputes Act

(1929) began shaping industrial relations, albeit with weak enforcement (Sen, 1999). By Independence, trade unions had become central to both industrial life and nation-building.

Post-1947, trade unions focused on securing basic rights: job security, fair conditions, and compensation. They thrived in the regulated public sector, bolstered by laws like the Trade Unions Act (1926), the Factories Act (1948), and the Industrial Disputes Act (1947) (Sodhi, 2013).

Subsequently, the Five-Year Plans recognized workers as key to development, and unions participated in tripartite arrangements aimed at industrial peace and wage stability. However, these benefits largely bypassed the unorganized sector, including informal, contract, and rural workers. Unions remained urban, factory-centric, and unresponsive to shifting employment structures (Davalá, 1992; Pong Sul Ahn, 2008). They also fragmented along political lines that weakened collective strength, with union density reaching a low of 6.3% (Sodhi, 2013; Jose, 2000). As labour markets diversified, the Unions remained limited in their reach.

During the 1970s and 1980s, industrial relations grew adversarial. Strikes and lockouts became common in state-owned sectors. The Emergency (1975–77) suppressed union activity, but discontent resurfaced stronger post-restoration (Vaid, 1974). The 1982 Bombay Textile Strike exposed the limits of confrontational unionism; thousands lost jobs, and union influence waned, particularly among informal workers (Bhattacharjee, 1988).

Despite a rise in registered unions from 15,000 in 1981 to over 53,000 in 1991, their influence on policy and economic decision-making declined (IAMR, 2009). Unions and management became locked in unproductive standoffs, eroding trust and cooperation.

In 1991, liberalization reforms were introduced without union consultation. The reforms emphasized privatization, deregulation, and capital-intensive growth. The state's withdrawal from enforcement, especially in Export Promotion Zones (EPZ) and informal sectors, left unions struggling to protect workers. Employers turned to contract labour and resisted collective bargaining. Whereas some unions accepted flexible work norms and entered productivity-linked agreements at an enterprise level.

2. SIGNS OF CHANGE IN BUSINESS PATTERNS: THE AUTOMOBILE INDUSTRY

During the early 2000s, the automobile sector thrust India into a global manufacturing space. It became one of the most capital-intensive and internationally linked segments of Indian industry (India Brand Equity Foundation [IBEF], 2023).

Between 2000 and 2024, the sector received over USD 36 billion in foreign direct investment (FDI). Exports surged to 5.6 million vehicles in 2021-22 and grew by 14 percent in 2022-23. With technological advancements, production lines were largely automated. Preference for contract and temporary workers surged. The demand for flexibility and cost-competitiveness led to a weakening of traditional, factory-based employment models that had once been the stronghold of union representation (ILO, 2021).

Industrial tensions in the 21st century was marked by the death of a manager in the Maruti Suzuki Manesar plant in 2012. This violence led to the arrest of multiple workers that exposed deep fractures between permanent and contract labour. It highlighted rigid hierarchies and declining union influence (ILO, 2021). Similar tensions on safety, wages, and temporary employment also occurred at Hyundai, Ford, and Renault-Nissan. These events underscored the strain between evolving business models and labour expectations, with trade struggling to engage effectively in decentralized, tech-driven workplaces.

Furthermore, Tata's takeover of Daewoo (2004), Corus (2006) and Jaguar Land Rover (2008) revealed industrial strategy shifts towards global consolidation (Mathew, 2024). In Corus' case, British unions actively resisted potential closures and negotiated with Tata for job guarantees. This indicated how unions in advanced economies remain active stakeholders in cross-border business acquisitions (The Hindu, 2009). However, the shift to multinational ownership and platform-based supply chains has left Indian unions marginal to enterprise-level decisions. This signals a major challenge for union relevance and reach as India positions itself as a global manufacturing hub.

Tata's acquisition of Jaguar Land Rover was met with optimism by British trade unions. The union leaders publicly endorsed the foreign buyout, viewing Tata as a long-term investor that could revive the struggling brand. They highlighted Tata's commitment to job security and investment in production facilities. This endorsement stood in sharp contrast to earlier fears about foreign ownership and suggested a pragmatic shift in British union strategy. By focusing

on employment guarantees and operational stability, UK unions signalled their willingness to engage constructively with global capital, especially when it aligned with their worker interests (Economic Times, 2008).

3. FROM BARGAINING TO CO-GOVERNANCE: RECASTING THE INSTITUTIONAL PURPOSE OF TRADE UNIONS

In today's economy, Unions are required to evolve from being defenders of wage and service conditions to active influencers of business decisions. The required shift is not minor. As industries automate, restructure, and shift to platform-based or contract-heavy models, the room for traditional negotiations narrow.

India's legal framework still sees unions mainly as dispute resolution bodies. Laws such as the Trade Unions Act of 1926 and the Industrial Disputes Act of 1947 do not account for unions to partake in business decision-making. Even the new labour codes continue to frame unions in a limited role, mostly concerned with grievances and settlement mechanisms. Although unions are recognized, this legal gap limits their function to preventing industrial unrest (Sodhi, 2013).

However, as per global trends, unions are being embedded not only to negotiate rights but to shape outcomes in governance processes. Examples include China, where Company Law require firms with over 300 employees to include worker-elected representatives on their boards of directors as per a 2024 amendment. Similarly, in Romania, Law 367/2022 mandates company-level bargaining for businesses with more than ten employees. It also requires management to consult employees during business transfers or closures.

Layoffs, mergers, and automation are decided in boardrooms and investor meetings, away from industry shop floors. If unions do not have access to these spaces, they risk becoming irrelevant, not because their demands are outdated but because their mechanisms are (Badigannavar, 2012). This risk is even greater in India, where precarious, informal, and platform-based work is expanding.

To respond, unions must change from within. Strategic collaboration is about showing that they can help shape proposals, not just oppose them. Without that, cooperation becomes co-optation. The real test is whether managements make space for unions to have a seat at the table as equals. Co-governance must balance participation and resistance. India's unions must now decide whether to operate within a shrinking space or push for a model where they help build the future of work itself.

4. ADAPTING TO THE PLATFORM ECONOMY: RETHINKING THE BOUNDARIES OF TRADE UNIONISM

With millions now working as delivery riders, drivers, freelance content creators, or beauty professionals on digital platforms, the gap between the reality of labour and the framework of their representation has never been wider. Trade unions, unless quickly adaptive, risk becoming irrelevant to this rapidly growing and deeply precarious segment of the workforce.

At the heart of the challenge lies a fundamental definitional problem: gig workers are often not seen as "workers" at all. Under Indian labour law, most rights and protections, minimum wages, social security, and collective bargaining are tied to formal employment relationships. Yet platform workers and Freelancers are routinely classified as "partners" or "independent contractors", putting them outside the purview of conventional legal remedies. This legal void is not unique to India. A comparative study in Hungary revealed that trade unions are largely passive in the face of platform work (Neumann et al., 2021). Many Hungarian unions did not view platform workers as part of their constituency, citing the decentralised nature of gig work and the absence of employer-employee status.

Major Indian unions are yet to develop structured strategies to represent the growing population of gig workers. A key reason is ideological inertia: a deep-rooted attachment to factory floor, to formalised, long-term employment, and to the structures of collective bargaining that once gave unions their strength. But gig work does not fit these models. It is informal by design, mediated by opaque algorithms, and characterised by dispersed, individualised interactions between workers and platforms. The conventional tools of union mobilisation, workplace meetings, collective action, and employer negotiations are difficult to apply in this context.

Indian unions must rethink both their methods and goals. Firstly, the notion of "workplace" must be reimaged. For platform workers, a smartphone is the new shop floor. Union presence must transcend to digital realms. A robust virtual

support system should exist beyond messaging apps and online communities. Some unions in Europe and Latin America began experimenting with online legal aid, algorithmic audits, and data cooperatives which challenge opaque systems that govern gig worker's pay and conditions (Woodcock & Graham, 2020). In India, this model remains largely unexplored, though emerging organisations like the Indian Federation of App-based Transport Workers (IFAT) have taken early steps in this direction.

Secondly, the legal strategy must be updated. Instead of relying solely on the employer-employee binary, unions can push for universal entitlements. This includes basic income support, social security access, and insurance schemes that apply regardless of employment status. The Code on Social Security, 2020 introduces the possibility of covering gig and platform workers under social security schemes, but implementation remains unclear and slow. Trade unions, if step-up, could ensure these schemes are operationalized effectively. This includes helping workers register on government platforms, track benefits, and file complaints. Enabling this will require a shift from traditional grievance redressal to service-based advocacy, where unions act as facilitators rather than as negotiators.

Finally, trade unions must confront the problem of atomisation. Many gig workers do not see themselves as part of a collective, as there is a sense of isolation that defines platform and freelance work. Without a community or designated meeting space, building solidarity is an uphill task. Yet, as studies from both India and Hungary suggest, solidarity can be fostered through issue-based campaigns, whether around fuel price hikes, sudden changes in algorithms, or unfair deactivations. When Uber drivers in Hungary organised to protest algorithmic pay changes, or when Indian delivery workers launched spontaneous strikes over falling base pay, they demonstrated that new forms of collective action are still possible, even in the absence of formal unions (Neumann et al., 2021).

5. FROM RESISTANCE TO RELEVANCE: TRADE UNIONS AND THE ARCHITECTURE OF THE FUTURE OF WORK

As the nature of work undergoes profound and permanent transformation, trade unions are no longer equipped to preserve what once was. Technological change, restructuring of business models, the rise of informal and platform work, and the deepening gap between capital and labour have not only disrupted job security, but also destabilized the very frameworks of worker representation. Against this backdrop, unions as well as companies can no longer afford to operate as reactive bodies. To achieve this, unions as well as companies need to reimagine both their function and their reach. The concept of a human-centered economy, where social dialogue and worker voice are core to shaping development, reinforces this need. Social dialogue should be treated as a public good and unions are uniquely placed to carry that dialogue forward in meaningful ways. Their ability to influence outcomes, however, depends on whether they are seen as capable of contributing to the governance of work, not just the settlement of disputes (ILO, 2019, p. 42).

This calls for two major strategic shifts. First, trade unions must expand who they represent. The traditional focus on formal, male, industrial workers excludes a growing part of the labour force. Informal, contractual, migrant, and platform workers make up a significant share of employment in countries like India. A meaningful future for unionism requires finding ways to organize and represent these groups without forcing them into outdated models. The ILO estimates that nearly two billion people globally work in informal arrangements, and most lack any form of social protection or meaningful representation (ILO, 2019, p. 13). If unions are to maintain their role in shaping labour standards, their reach must extend to where workers are.

Second, trade unions must support workers in managing change, not only resisting it. The rapid evolution of skills, technology, and employment types means that workers are not just fighting to preserve jobs but trying to remain employable and secure in an unpredictable environment. A modern union must support transitions. This includes pushing for publicly supported lifelong learning and reskilling systems and participating in their design and delivery. Such efforts can reduce inequality and improve mobility, but they will only succeed if they are shaped by those who understand the realities of work (ILO, 2019, pp. 28–30).

To play this expanded role, unions must also evolve internally. This includes building leadership that reflects the workforce of today and tomorrow, including women, younger workers, and those from non-traditional employment backgrounds. It also means developing digital competence and technological fluency. Many of the new struggles over wages, safety, or job security now take place in virtual environments. Organising and advocacy must adapt to this reality.

The digital space should be seen as a site of collective power, not just of surveillance or fragmentation. Technology, when democratically governed, can be used to promote dignity at work rather than undermine it (ILO, 2019, p. 43).

The way forward does not mean abandoning confrontation or rejecting the core purpose of defending worker rights. Power still matters and it is still built through organising. But the terms of engagement have shifted. Without the capacity to contribute to solutions and propose alternatives, resistance becomes symbolic. The trade union of the future must combine the ability to say no with the ability to shape better outcomes. This is what will make them relevant in board rooms where the rules of work are being rewritten. Their task is not just to protect workers from change but to ensure that change itself reflects the principles of fairness, dignity, and shared prosperity.

CONFLICT OF INTERESTS

None.

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