

**DR. SUBHASHRAO DHAKNE LAW COLLEGE
ROHANWADI TQ. DIST. JALNA**

Academic Year 2025-26 Class: LLB – 2nd Year

Subject: Labour Law Sem: III Prof: S. S. Asutkar

A) Write any three questions out of five.

Q.1) Elaborate the concept of collective Bargaining and explain essential condition for the successive of Collective Bargaining and also discuss & explain its Merits and Demerits?

Q.2) Define Trade Union. Explain the Procedure for the registration of trade Union. Discuss the rights and liabilities of registered Trade union.

Q.3) What do you mean by standing orders? Discuss the Procedure for Certification of standing orders under the Industrial Employment (standing orders) Act. 1946.

Q.4) Define Industrial dispute as per the Industrial Dispute Act 1947 and explain the essential elements and various authorities established under the Act.

Q.5) Define the concept of Discipline (under discipline in Industry). Discuss the stages of disciplinary proceedings?

Seminar

B) Write and present any 1 out of 5.

01) Unorganised Labour. 02) Unfair Labour practice.

03) Strike and Lockout. 04) Theories of wages.

05) Problems of trade Union in India.

C) Select and rewrite the correct answer. (All multiple-choice questions are compulsory)

01) Which section of the Trade Union Act, 1926 provides immunities against civil liability to a registered trade Union?

a) Section 18 c) Section 19 b) Section 17

d) Section 20

02) What is the minimum number of members required to make an application for registered trade union?

a) 7 b) 6

c) 20 d) 903) How many days of notice period is mandatory for a workman who has been in

continuous service for more than a year while retrenchment?

a) 1 month c) 15 days b) 2 months

d) 45 days

04) No person employed in a public utility Service shall go on strike in breach of Contract _____ within of giving such a Notice

a) 14 weeks b) 7 days

c) 6 weeks d) None of the above

05) What is the penalty faced by an employer if he lays off or retrenches an employee without prior permission?

a) Imprisonment for up to a month and a fine of up to 1000 Rs.

b) Imprisonment for up to a month or

c) Fine of up to 1000 Rs.

d) All of the above

06) Draft standing orders are to be submitted within

a) Two years from the date on which the act is applicable in five copies

b) One year from the date on which the act is applicable in five copies

c) Six months from the date on which the Act is applicable in five copies

d) Six months from the date on which the act is applicable in ten copies

07) Which act requires employers in industrial establishments to define the conditions of employment?

a) The Factories Act 1948

b) The Industrial Dispute Act, 1947

c) The Industrial Employment (Standing Order) Act 1948

d) The Payment of Wages Act 1936

08) Which permanent settlement machinery has been mentioned in the act accountable for

the speedy and amicable settlement of industrial dispute?

a) Adjudication b) Conciliation

c) Arbitration d) Appropriate government

09) The parties engaged in a collective bargaining process involve

a) employee and the employer c) employer and the labour inspector b) employee representative and the

employer

d) Labour inspector and an employee.

10. Which section deals with the prohibitions of lay-offs?

a) 25 M b) 25 N

c) 25 F d) 25

Q.1) Elaborate the concept of Collective Bargaining and explain essential conditions for the success of Collective Bargaining. Also discuss its merits and demerits.

Introduction

Collective bargaining is a systematic and democratic method through which representatives of workers (trade unions) and employers negotiate terms of employment, such as wages, working hours, working conditions, and dispute settlement. It helps in maintaining industrial peace and harmony by settling disputes through dialogue rather than force.

Definition

Dale Yoder defined collective bargaining as,
"the process by which employers and organized groups of employees negotiate and discuss conditions of employment and settle disputes."

ILO defines collective bargaining as,
"negotiations relating to working conditions and terms of employment between an employer or employers' organization and a workers' organization."

Features

- It is a collective process involving groups rather than individuals.
- It is based on mutual respect and cooperation.
- It ensures peaceful settlement of disputes.
- It promotes industrial democracy by involving workers in decision making.

Essential Conditions for Successful Collective Bargaining

1. Strong and responsible trade unions that truly represent workers.
2. Good faith bargaining where both sides negotiate sincerely without cheating or delaying.
3. Mutual trust and cooperation between workers and employer.

4. Recognition of the trade union by the employer.
5. Effective leadership with proper knowledge and negotiation skills.
6. Absence of political interference in labour issues.
7. Supportive labour laws and policies to encourage fair bargaining.
8. Proper and complete information related to wages, working conditions, productivity etc.
9. Peaceful industrial conditions and discipline within the organization.

Merits of Collective Bargaining

- Promotes industrial peace by reducing conflicts.
- Improves wages, working conditions, and welfare of workers.
- Builds positive and cooperative labour-management relations.
- Enhances workplace democracy by giving workers a voice.
- Prevents arbitrary actions by employers and ensures fairness.
- Helps increase productivity due to satisfied employees.

Demerits of Collective Bargaining

- It can be time-consuming and slow to reach decisions.
- If bargaining fails, it may lead to strikes or lockouts.
- Strong unions can misuse their power and make unreasonable demands.
- Lack of skilled leadership can harm the negotiation process.
- It may not benefit unorganized sectors where unions are weak.

Collective bargaining plays a vital role in creating a healthy industrial environment. It promotes cooperation, fairness, and mutual understanding. The success of collective bargaining depends upon trust, willingness to negotiate, strong unions, and supportive legal environment. When practiced effectively, it ensures industrial peace and economic stability.

Q.2) Define Trade Union. Explain the procedure for registration of a Trade Union. Discuss the rights and liabilities of a registered Trade Union.

Introduction

A trade union is an organized association of workers formed to protect their economic, social, and political interests. Trade unions play an important role in improving working conditions, ensuring fair wages, and maintaining harmonious industrial relations. In India, trade unions are governed by the Trade Unions Act, 1926.

Definition of Trade Union

According to Section 2(h) of the Trade Unions Act, 1926,

"Trade Union means any combination formed primarily for the purpose of regulating the relations between workers and employers, or between workers, or between employers for imposing restrictive conditions on the conduct of any trade or business."

Purpose of Trade Union

- Protecting rights of workers
- Ensuring better wages and working conditions
- Settling industrial disputes
- Promoting unity among workers
- Providing legal and social support

Procedure for Registration of Trade Union

1. Application must be submitted to the Registrar of Trade Unions.

2. Minimum 7 members are required to form a trade union.
3. At least 10% of workers or 100 workers (whichever is less) must support the union in the establishment.
4. The application must include:
 - Name and address of the union
 - Names, occupations, and addresses of office-bearers
 - Union constitution or rules
5. A registration fee must be paid.
6. Registrar examines the documents and may ask for corrections.
7. If satisfied, the Registrar issues a Certificate of Registration.
8. The certificate is conclusive proof that the trade union is registered.

Rights of Registered Trade Union

1. Right to legal status and perpetual existence.
2. Right to own property and funds.
3. Right to sue and be sued in its own name.
4. Right to represent workers in industrial disputes.
5. Immunity from civil suits for acts done in furtherance of trade union activities (Section 18).
6. Immunity from criminal conspiracy in certain cases (Section 17).
7. Right to collect funds and subscriptions for union purposes.

Liabilities of Registered Trade Union

1. Must maintain proper accounts and records.
2. Annual audit of accounts is mandatory.
3. Submit annual returns to the Registrar.
4. Funds must be used only for lawful purposes.
5. Changes in rules and office bearers must be informed to Registrar.
6. Must follow union constitution and conduct elections fairly.

Conclusion

Trade unions are essential for safeguarding the rights of workers and maintaining industrial harmony. Registration gives legality, stability, and certain privileges to unions. However, they must operate responsibly, legally, and transparently to protect the interests of workers and contribute to industrial peace and national development.

Q.3) What do you mean by Standing Orders? Discuss the procedure for certification of Standing Orders under the Industrial Employment (Standing Orders) Act, 1946.

Introduction

Standing Orders are written rules that define the conditions of employment in industrial establishments. They specify the duties and responsibilities of employers and workers and help maintain discipline, uniformity, and transparency in the workplace.

The Industrial Employment (Standing Orders) Act, 1946 was enacted to require employers to formally define the terms and conditions of service under them. It applies to industrial establishments employing 100 or more workers (this limit can be reduced by the government).

Meaning of Standing Orders

Standing Orders are written rules governing matters like:

- Classification of workmen
- Working hours, shifts, holidays
- Attendance and leave rules
- Conduct and discipline
- Punishment for misconduct
- Termination and retirement conditions

Objectives of Standing Orders Act

- To bring uniformity and clarity in employment conditions
- To avoid exploitation of workers
- To reduce disputes between workers and management
- To ensure transparency and fair behaviour
- To promote an orderly working environment

Procedure for Certification of Standing Orders

1. Drafting of Standing Orders

The employer must prepare draft standing orders for the industrial establishment covering all matters mentioned in the Act.

2. Submission to Certifying Officer

The employer must submit the draft standing orders to the Certifying Officer in five copies along with prescribed details.

3. Copy to Workers' Union / Representatives

A copy of the draft must be simultaneously sent to the trade union or workers' representatives for comments and objections.

4. Consideration of Objections

The Certifying Officer considers objections, if any, raised by workers or their union.

5. Hearing

Both employer and workmen are given an opportunity to present arguments or objections.

6. Modification and Certification

The Certifying Officer may modify the draft to make it reasonable and fair and then certifies the standing orders.

7. Appeal

Either party can appeal to the Appellate Authority within 30 days if dissatisfied with the certification.

8. Final Implementation

Once certified, the standing orders come into force after 30 days of their certification or appeal decision.

Importance of Standing Orders

- Provide clear terms of employment
- Ensure fair discipline and uniform rules
- Reduce disputes and misconduct issues
- Protect rights of both employer and workers
- Promote industrial discipline and peace

Conclusion

Standing Orders play a central role in maintaining order and discipline in industrial establishments. They provide clarity, fairness, and uniformity in employment relations. The certification procedure ensures that the terms and rules are fair, reasonable, and acceptable to both employers and employees, resulting in a stable and peaceful industrial environment.

Q.4) Define Industrial Dispute as per the Industrial Disputes Act, 1947 and explain the essential elements and various authorities established under the Act.

Introduction

Industrial relations play a crucial role in maintaining peace in industries. Disputes between management and workers may arise over wages, conditions of service, retrenchment, dismissal, or other employment matters. To address and resolve such disputes, the Industrial Disputes Act, 1947 was enacted. The Act provides machinery for investigation, settlement, and adjudication of industrial disputes.

Definition of Industrial Dispute

According to Section 2(k) of the Industrial Disputes Act, 1947:

"Industrial dispute means any dispute or difference between employers and employees, or between employers and workmen, or between workmen and workmen, which is connected with employment or non-employment or the terms of employment or the conditions of labour of any person."

Essential Elements of Industrial Dispute

1. **There must be a dispute or difference**
The dispute should be real and related to employment matters.
2. **It must involve employers and workers**
The parties must be either employer vs. employee or employees amongst themselves.
3. **Relation to employment**
The dispute must relate to employment, non-employment, terms of employment, or conditions of labour.
4. **Industry**
The dispute must arise in an industry as defined under the Act.
5. **Collective nature**
Dispute should generally involve a group of workers unless treated as industrial dispute under Section 2A (individual dispute regarding dismissal etc. also treated as industrial dispute).

Authorities under the Industrial Disputes Act, 1947

The Act establishes several authorities for the prevention, investigation, arbitration, conciliation, and adjudication of industrial disputes.

1. Works Committee

A joint committee of employer and workers to promote good relations and discuss minor problems.

2. Conciliation Officer

Appointed by the government to mediate and help parties reach settlement.

3. Board of Conciliation

A multi-member body constituted to promote settlement of larger or complicated disputes.

4. Court of Inquiry

A fact-finding authority to investigate the dispute and submit a report to the government.

5. Labour Court

Established for adjudication of matters relating to disciplinary actions, dismissal, suspension, and issues under the Second Schedule of the Act.

6. Industrial Tribunal

Deals with disputes relating to wages, bonus, working conditions, retrenchment, closure etc. (Third Schedule matters).

7. National Tribunal

Constituted by Central Government for disputes of national importance or affecting industries in more than one state.

Importance of Industrial Disputes Act

- Ensures peaceful settlement of industrial disputes
- Provides machinery for conciliation and adjudication
- Prevents illegal strikes and lockouts
- Ensures fair treatment to workers
- Promotes industrial harmony and growth

The Industrial Disputes Act, 1947 plays a fundamental role in maintaining industrial peace by laying down legal procedures to handle disputes. It protects both workers and employers and ensures orderly and fair settlement of disputes. The authorities established under the Act promote stability, fairness, and harmonious industrial relations in the country.

Q.5) Define the concept of Discipline (under discipline in industry). Discuss the stages of disciplinary proceedings.

Introduction

Industrial discipline means a systematic, orderly and controlled behaviour of workers in an organization. Discipline in industry is essential for smooth functioning, maintaining efficiency, productivity, and creating a peaceful working environment. It ensures that employees follow rules, procedures, and standards of conduct laid down by the employer.

Meaning of Discipline in Industry

Discipline refers to the practice of training people to obey rules and maintain orderly conduct. In an industrial workplace, discipline means adherence to company rules, proper behaviour, respect for authority, punctuality, and performance of duties with honesty and responsibility.

Objectives of Industrial Discipline

- To maintain order and efficiency in the workplace
- To ensure smooth and safe functioning of operations
- To develop good behaviour and responsibility among workers
- To prevent misconduct and indiscipline
- To create a healthy work culture

Principles of Industrial Discipline

- Fair and equal treatment
- Reasonableness in rules and punishments
- Opportunity to be heard
- Quick and impartial procedure
- No discrimination
- Respect for natural justice

Stages of Disciplinary Proceedings

The process of disciplinary action generally consists of the following stages:

1. **Preliminary Investigation**

A quick inquiry is made to find whether misconduct has actually occurred and whether disciplinary action is required.

2. **Issue of Charge Sheet**

If misconduct is suspected, a written charge sheet is given to the employee explaining the allegations clearly and asking for a reply.

3. **Suspension Pending Inquiry (if necessary)**

In serious cases, the employee may be suspended during the inquiry to ensure fairness and avoid interference.

4. **Receiving Written Explanation**

The employee is given an opportunity to submit his explanation or defense.

5. **Domestic/Departmental Inquiry**

A formal inquiry is conducted by an impartial inquiry officer. Both parties may present evidence and witnesses. The principle of natural justice must be followed.

6. **Recording Findings**

The inquiry officer examines the evidence and records findings whether the charges are proved or not.

7. **Decision on Punishment**

Based on the inquiry report, the employer decides the punishment. Punishment must be fair, proportionate, and reasonable.

Types of punishments may include:

- Warning or reprimand
- Fine
- Suspension
- Demotion
- Termination or dismissal depending on seriousness of misconduct

8. **Communication of Order**

The final decision along with reasons is communicated to the employee in

writing.

9. Right to Appeal

Many organizations provide an opportunity for the employee to appeal to a higher authority.

Industrial discipline is essential for maintaining efficiency, peace, and productivity in the workplace. A proper disciplinary procedure ensures fairness, transparency, and protection of employee rights. The stages of disciplinary proceedings ensure that disciplinary action is not arbitrary, but follows due process and principles of natural justice. Thus, it helps in maintaining a healthy and ethical industrial environment.

1. Seminar Topic : Unorganised Labour

Introduction

India has a vast workforce, but a major portion of workers are employed in the **unorganised sector**. This sector lacks formal employment arrangements, job security, and legal protection. Workers in this sector often face exploitation, low wages, and poor working conditions. Understanding the problems and conditions of unorganised labour is essential for improving social justice and national development.

Meaning of Unorganised Labour

Unorganised labour refers to workers who are employed in small-scale, informal, or unregistered enterprises, without proper employment contracts, social security benefits, or labour law protection.

They work mostly in:

- Small workshops
 - Agriculture and farms
 - Construction sites
 - Domestic work
 - Roadside shops and street vending
 - Small factories and home-based units
-

Characteristics of Unorganised Labour

- No fixed working hours
- Low wages and irregular income
- Lack of job security

- No social security benefits (PF, ESIC, pension)
 - No paid leave or medical benefits
 - Lack of union representation
 - Informal employment without contract
-

Examples of Unorganised Labour

- Agricultural labourers
 - Domestic helpers
 - Construction workers
 - Rickshaw pullers and auto drivers
 - Street vendors
 - Coolies and loaders
 - Tailors and home-based workers
 - Small shop workers, mechanics, barbers etc.
-

Problems Faced by Unorganised Labour

1. **Low Wages**
Workers are often paid very low wages below minimum wage standards.
2. **Job Insecurity**
They can be fired anytime without notice or compensation.
3. **Lack of Safety**
Most workplaces do not provide protective equipment or safe working conditions.

4. **Absence of Social Security**
No PF, pension, medical benefits, maternity benefits, insurance etc.
5. **Long Working Hours**
Many work more than 10–12 hours a day without overtime pay.
6. **Exploitation**
Middlemen and contractors exploit workers through underpayment and forced labour.
7. **Child Labour & Women Exploitation**
This sector includes child labour and suffers from gender inequality and abuse.
8. **Lack of Education and Awareness**
Limited awareness about rights, laws, and welfare schemes.

Government Measures for Unorganised Labour

Some key schemes and laws for unorganised workers:

- Unorganised Workers' Social Security Act, 2008
- National Rural Employment Guarantee Act (MGNREGA)
- Pradhan Mantri Jan Dhan Yojana
- PMSBY & PMJJBY insurance schemes
- Ayushman Bharat health scheme
- Labour Welfare Boards
- Atmanirbhar Bharat and social welfare programs

Suggestions for Improvement

- Strengthening labour laws protection
- Increasing minimum wages and ensuring payment

- Providing skill training and education
 - Encouraging unionization for collective strength
 - Expanding government welfare schemes
 - Creating formal employment opportunities
 - Providing health and safety facilities
 - Increasing awareness of rights
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Conclusion

Unorganised labour plays a vital role in India's economy and constitutes a major portion of the workforce. However, due to lack of social, economic, and legal protection, they remain the most vulnerable group. Strengthening legal protections, improving welfare schemes, and promoting social equality are essential to uplift unorganised labour and support national development. Ensuring their dignity and security will contribute to a stronger and more inclusive India.

2. Seminar Topic: Unfair Labour Practice

Introduction

Healthy industrial relations depend on fairness, mutual respect, and lawful conduct by both employers and employees. When either side adopts unlawful, dishonest, or harmful practices against the other, it is considered **Unfair Labour Practice (ULP)**.

To prevent such misconduct and to protect workers' rights, the concept of ULP is recognized under the **Industrial Disputes Act, 1947** and more specifically under the **Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 (MRTU & PULP Act)**.

Meaning of Unfair Labour Practice

Unfair Labour Practice means **any act or behaviour by employer, worker, or trade union which violates legal rights, discourages fair bargaining, or causes injustice in employment matters.**

It includes **exploitation, discrimination, victimization, and interference in union activities.**

Legal Definition

Section 2(ra) of the Industrial Disputes Act, 1947 defines **Unfair Labour Practice** as the practices specified in the **Fifth Schedule** of the Act.

Objectives

- To prevent exploitation of workers
- To safeguard trade union rights
- To ensure fair industrial relations
- To promote genuine collective bargaining
- To punish wrongful acts of employers or unions

Types of Unfair Labour Practices

1. By Employer

Examples:

- Interfering with employees' right to join a union
- Dismissing or punishing employees for union activities
- Discharging workers by victimization
- Employing temporary workers to avoid permanency
- Refusing to bargain with recognized union
- Creating fake company-sponsored unions

2. By Trade Unions

Examples:

- Using force, threats, or violence
- Intimidating workers or management
- Illegally preventing employees from working
- Causing deliberate slowdown (go-slow)
- Forcing employees to join union

3. By Workmen

Examples:

- Violent protests and unlawful strikes
 - Damage to company property
 - Preventing willing workers from working
 - Indiscipline or refusal to cooperate
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Provisions to Prevent Unfair Labour Practices

- Industrial Disputes Act, 1947 – Fifth Schedule
- MRTU & PULP Act, 1971 (especially in Maharashtra)
- Labour courts and Industrial Tribunals investigate complaints
- Penalties and legal action against guilty party

Effects of Unfair Labour Practices

Negative Impact:

- Industrial unrest and mistrust
- Loss of productivity and profit
- Job insecurity and strikes
- Damage to economic growth
- Poor work culture and morale

Examples

- Dismissing a worker for union membership
- Paying lower wages to unionized workers as punishment
- Forcing workers to join a particular union
- Stopping promotions due to union activities

Unfair Labour Practices harm industrial peace and economic stability.

To maintain **fairness and justice**, both employers and workers must respect labour laws, recognize legitimate union activities, and follow ethical practices. Prevention of ULP helps in creating a **balanced and harmonious industrial environment** and

ensures the protection of workers' rights while supporting efficient and lawful management practices.

3. Seminar Topic: Strike and Lockout

Introduction

Industrial relations involve both harmony and conflict between employers and employees. When disputes regarding wages, working conditions, or employment terms arise, the employees or employers may adopt certain measures to assert their demands. Two major industrial actions in such situations are **Strike** and **Lockout**. Both are powerful economic weapons provided under the Industrial Disputes Act, 1947. They are used to protect the interests of labour and management respectively.

Meaning of Strike

Section 2(q) of the Industrial Disputes Act, 1947 defines strike as:

"A cessation of work by a body of persons employed in any industry, acting in combination, or a concerted refusal, or refusal under a common understanding of a number of persons to continue to work or to accept employment."

In simple words, **strike means a collective refusal of work by employees** as a protest against the employer.

Types of Strike

1. **General Strike** – Workers across many industries strike for a common cause.
2. **Sit-down / Stay-in Strike** – Workers stop work but stay inside workplace.
3. **Tool-down Strike** – Workers stop working but remain at workplace without tools.
4. **Go-slow Strike** – Workers intentionally work at very slow speed.
5. **Sympathy Strike** – Workers strike in support of other workers.
6. **Hunger Strike** – Workers fast to protest, usually union leaders.
7. **Wildcat Strike** – Strike without union approval or notice.

Reasons for Strike

- Demand for higher wages or allowances

- Poor working conditions
- Ill-treatment or victimization by employer
- Job insecurity and retrenchment
- Lack of bonus, leave, or welfare facilities
- Delay in settlement of disputes

Meaning of Lockout

Section 2(l) of the Industrial Disputes Act, 1947 defines lockout as:

"The temporary closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him."

Simply, **lockout is an act of employer closing the factory or refusing to give work to employees during a dispute.**

Purpose of Lockout

- To resist the unjust demands of workers
- To force workers to accept employer's terms
- To maintain discipline and managerial rights
- To prevent economic loss due to agitation

Difference Between Strike and Lockout

Basis	Strike	Lockout
Initiated by	Employees	Employer
Purpose	To pressurize employer	To pressurize workers
Method	Refusal to work	Refusal to give work
Nature	Workers' weapon	Employer's weapon
Aim	Fulfillment of demands	Control labour actions

Legal Provisions

- Strikes and lockouts must follow proper notice procedure.
- Strikes are prohibited in public utility services without notice.
- Illegal strike or lockout leads to penalties under the Act.
- Courts and tribunals can prohibit strikes/lockouts during adjudication.

Effects

Positive

- Protects rights and welfare
- Encourages negotiation
- Strengthens collective bargaining

Negative

- Loss of productivity and wages
- Damage to employer–employee relationship
- Economic loss to industry and nation
- Public inconvenience (transport, electricity, hospitals etc.)

Strike and lockout are important tools in industrial relations, but they should be used responsibly. These measures should be the *last resort* after peaceful methods like negotiation, mediation, and arbitration fail. Harmonious industrial relations are essential for national economic development, therefore both employers and employees must maintain discipline, cooperation, and mutual respect.

Seminar Topic : 04) Theories of Wages

Introduction

Wages are the monetary rewards paid to workers for their labour and services. Wage determination is an important factor in industrial relations, productivity, and economic growth. Different economists and scholars have explained how wages are determined through different theories. These theories help in understanding labour market behaviour, wage policies and labour welfare.

Meaning of Wages

Wages refer to the payment received by a worker in exchange for physical or mental services rendered to an employer. Wages include basic pay, allowances, overtime, and other monetary benefits.

Major Theories of Wages

1. Subsistence Theory of Wages (David Ricardo)

- Workers should get only a minimum wage to maintain subsistence level (food, shelter, clothing).
- If wages rise above subsistence, population increases, labour supply rises, and wages fall again.

2. Wage Fund Theory (Adam Smith)

- Employers keep a fixed fund for wages.
- $\text{Wages} = \text{Wage fund} \div \text{Number of workers}$.
- If workers increase, wages decrease.

3. Residual Claimant Theory (Walker)

- Labour receives the leftover earnings after paying rent, interest, and profit.
- Whatever remains goes to labour.

4. Marginal Productivity Theory (J.B. Clark)

- Wages depend on the productivity of labour.
- More productive workers receive higher wages.

- Wages = Marginal product of labour.

5. Bargaining Theory of Wages

- Wages depend on the bargaining power between employer and employees.
- Unions strengthen workers' bargaining ability.

6. Behavioural/Psychological Theory

- Wages are influenced by motivation, morale, status and job satisfaction.

7. Modern Theory of Wages

- Wages depend on several factors:
productivity, cost of living, government wage policies, labour laws, demand and supply, skill, union strength, etc.

Conclusion

No single wage theory explains wage determination fully. Modern wage decisions are influenced by economic, social, and psychological factors, along with labour laws and government policies. Fair wages promote industrial peace, worker motivation, productivity, and economic stability.

Seminar Topic : 05) Problems of Trade Unions in India

Introduction

Trade unions play a key role in protecting labour rights, improving working conditions, and promoting social justice. However, Indian trade unions face many challenges that weaken their effectiveness and bargaining power. Understanding these problems helps in improving industrial relations and labour welfare.

Meaning of Trade Union

A trade union is an association of workers formed to protect and promote their interests, negotiate with employers, and ensure fair employment conditions.

Major Problems of Trade Unions in India

1. Multiplicity of Unions

- Too many unions in one industry or factory.
- Creates conflict, division, and weak bargaining power.

2. Political Interference

- Many unions are influenced by political parties.
- Political rivalry affects unity and union functioning.

3. Financial Weakness

- Low membership and low subscription fees result in poor funds.
- Lack of funds limits union activities.

4. Lack of Trained Leadership

- Many leaders lack professional training.
- Some are outsiders and politically driven, not worker-focused.

5. Low Membership

- Fear of employer actions, lack of awareness, temporary jobs lead to low union membership.

6. Employer Resistance

- Employers discourage or victimise union workers.
- Use of temporary workers, threats, or anti-union policies.

7. Unorganised Sector Dominance

- Large part of workforce in unorganised sector without unionisation.

8. Illiteracy and Lack of Awareness

- Many workers do not understand union benefits or labour laws.

Suggestions for Improvement

- Reduce multiple unions and encourage one-union-one-industry principle.
- Promote independent unions free from political influence.
- Provide leadership training and legal awareness.
- Strengthen financial resources through proper subscription.
- Improve worker education and awareness.
- Government support for collective bargaining and protection of union rights.

Conclusion

Trade unions are vital for industrial democracy and labour rights. However, political interference, weak leadership, financial issues, and lack of unity weaken their effectiveness. Strengthening unions will promote better labour relations, reduce industrial disputes, and support national development.

01) Which section of the Trade Union Act, 1926 provides immunities against civil liability to a registered trade Union?

- a) Section 18
- b) Section 17
- c) Section 19
- d) Section 20

Correct Answer: a) Section 18

02) What is the minimum number of members required to make an application for registered trade union?

- a) 7
- b) 6
- c) 20
- d) 90

Correct Answer: a) 7

03) How many days of notice period is mandatory for a workman who has been in continuous service for more than a year while retrenchment?

- a) 1 month
- b) 2 months
- c) 15 days
- d) 45 days

Correct Answer: a) 1 month

04) No person employed in a public utility service shall go on strike in breach of contract _____ within ____ of giving such notice.

- a) 14 weeks
- b) 7 days
- c) 6 weeks
- d) None of the above

Correct Answer: c) 6 weeks

05) What is the penalty faced by an employer if he lays off or retrenches an employee without prior permission?

- a) Imprisonment for up to a month and a fine of up to 1000 Rs.
- b) Imprisonment for up to a month or
- c) Fine of up to 1000 Rs.
- d) All of the above

Correct Answer: d) All of the above

06) Draft standing orders are to be submitted within

- a) Two years from the date on which act is applicable in five copies
- b) One year from the date on which the act is applicable in five copies
- c) Six months from the date on which the Act is applicable in five copies
- d) Six months from the date on which the act is applicable in ten copies

Correct Answer: c) Six months from the date on which the Act is applicable in five copies

07) Which Act requires employers in industrial establishments to define the conditions of employment?

- a) The Factories Act 1948
- b) The Industrial Dispute Act, 1947
- c) The Industrial Employment (Standing Orders) Act 1946
- d) The Payment of Wages Act 1936

Correct Answer: c) The Industrial Employment (Standing Orders) Act 1946

08) Which permanent settlement machinery has been mentioned in the Act accountable for the speedy and amicable settlement of industrial dispute?

- a) Adjudication
- b) Conciliation
- c) Arbitration
- d) Appropriate government

Correct Answer: b) Conciliation

09) The parties engaged in a collective bargaining process involve

- a) Employee and the employer
- b) Employee representative and the employer
- c) Employer and the labour inspector
- d) Labour inspector and an employee

Correct Answer: b) Employee representative and the employer

10) Which section deals with the prohibition of lay-offs?

- a) 25M
- b) 25N
- c) 25F
- d) 25

Correct Answer: a) 25M
