

Labour Legislation

The term "Labour Legislation" encompasses all laws enacted to deal with employment, wages, working conditions, industrial relations, social security, and the welfare of individuals employed in industries. Labour law defines the rights and obligations of workers, union members, and employers in the workplace.

Labour law, also known as employment law, is a body of laws, administrative rulings, and precedents that address the legal rights and restrictions of working people and their organizations. It regulates many aspects of the relationship between trade unions, employers, and employees

Key Aspects of Labour Law:

- **Industrial Relations:** Includes union certification, labor-management relations, collective bargaining, and unfair labor practices.
- **Workplace Health and Safety:** Focuses on maintaining safety standards at work.
- **Employment Standards:** Covers general holidays, annual leave, working hours, unfair dismissals, minimum wages, layoff procedures, and severance pay.

Labour law can be categorized into two broad areas:

1. **Collective Labour Law:** Governs the tripartite relationship between employees, employers, and unions.
2. **Individual Labour Law:** Concerns the rights of employees at work and through their employment contracts.

Objectives of Labour Legislation in India

Labour legislation in India seeks to achieve the following objectives:

1. **Establishment of Justice – Social, Political, and Economic:** Ensuring fair treatment of workers in all aspects of work, promoting social and economic justice.
2. **Provision of Opportunities for All Workers:** Ensuring equal opportunities for all workers, irrespective of caste, creed, religion, or beliefs, for personal development.
3. **Protection of Weaker Sections:** Special focus on protecting the interests of disadvantaged or vulnerable groups within the workforce.
4. **Maintenance of Industrial Peace:** Ensuring that disputes between employers and workers are resolved peacefully, maintaining industrial harmony.
5. **Creation of Conditions for Economic Growth:** Facilitating the development of a productive workforce, contributing to national economic growth.
6. **Protection and Improvement of Labour Standards:** Setting minimum standards for working conditions, wages, and safety.
7. **Protection from Exploitation:** Safeguarding workers from exploitation in terms of wages, working hours, and conditions.

8. **Guarantee Right to Unionize:** Ensuring that workers have the right to form associations or trade unions.
9. **Right to Collective Bargaining:** Workers must have the right to collectively negotiate for better working conditions and benefits.
10. **State's Role as Protector:** Ensuring that the state acts as a protector of workers' social well-being, rather than remaining passive.
11. **Ensuring Human Rights and Dignity:** Respecting workers' human rights and dignity in all industrial practices.

Need and Importance of Labour Legislation in India

Labour legislation is necessary for the following reasons:

1. **Health, Safety, and Welfare:** Ensures the physical and mental well-being of workers through various laws regulating safety and health standards.
2. **Protection Against Oppressive Terms:** Provides protection against the exploitation of workers, who are economically weaker and have less bargaining power.
3. **Encouragement of Worker Organization:** Facilitates the formation of worker unions and encourages collective organization.
4. **Industrial Dispute Resolution:** Establishes a framework for the peaceful resolution of industrial disputes.
5. **Enforcement of Social Insurance and Welfare:** Ensures that workers have access to benefits like insurance, retirement savings, and welfare schemes.
6. **Improved Industrial Relations:** Fosters better employee-employer relationships, reducing conflicts and industrial disputes.
7. **Fair Wages:** Ensures workers are compensated fairly for their labor.
8. **Minimizing Labour Unrest:** Helps in reducing labor strikes and unrest through legal mechanisms.
9. **Job Security:** Provides job security, reducing the fear of arbitrary dismissal.
10. **Improvement of Working Conditions:** Establishes and improves work conditions such as hours, rest pauses, and compensation for work-related injuries.
11. **Protection from Accidents:** Ensures appropriate compensation and welfare measures for workers who suffer accidents in the course of employment.

Classification/Types of Labour Legislation

Labour legislation in India can be classified into several categories based on the specific objectives it aims to achieve:

1. **Regulative Labour Legislation:**
These laws regulate the relationship between employees and employers, as well as the

methods for settling industrial disputes.

Examples:

- **The Trade Unions Act, 1926**
- **The Industrial Disputes Act, 1947**
- **The Industrial Employment (Standing Orders) Act, 1946**

2. **Protective Labour Legislation:**

These laws focus on improving working conditions and ensuring that labor standards are met.

Examples:

- **The Factories Act, 1948**
- **The Mines Act, 1952**
- **The Plantations Labour Act, 1951**

3. **Wage-Related Labour Legislation:**

These laws deal with how workers are paid, including the determination of minimum wages and methods of wage payment.

Examples:

- **The Payment of Wages Act, 1936**
- **The Minimum Wages Act, 1948**
- **The Equal Remuneration Act, 1976**

4. **Social Security Labour Legislation:**

These laws provide social security benefits to workers in the event of illness, injury, retirement, or death.

Examples:

- **The Workmen's Compensation Act, 1923**
- **The Employees' State Insurance Act, 1948**
- **The Employees Provident Funds and Miscellaneous Provisions Act, 1952**

5. **Welfare Labour Legislation:**

These laws promote workers' general welfare and improve their living conditions.

Examples:

- **Limestone and Dolomite Mines Labour Welfare Fund Act, 1972**
- **Beedi Workers Welfare Fund Act, 1976**
- **The Mica Mines Welfare Fund Act, 1946**

6. **Miscellaneous Legislation:**

These laws address specific areas of labor relations that do not fall into the above categories.

Examples:

- **The Contract Labour (Regulation and Abolition) Act, 1970**
- **Child Labour (Prohibition and Regulation) Act, 1986**
- **The Apprentices Act, 1961**

Social Security Benefits

Social security benefits refer to government-backed programs that provide financial assistance and protection to workers and their families in cases of retirement, disability, illness, maternity, or unemployment. These benefits ensure economic stability and social welfare.

1. Employees' Provident Fund (EPF)

- **Meaning:** A retirement savings scheme where employees and employers contribute a fixed percentage of wages to build a financial corpus for post-retirement needs.
- **Governing Law:** Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- **Administered By:** Employees' Provident Fund Organization (EPFO)
- **Applicability:** Mandatory for establishments with 20 or more employees.

Benefits

- **Retirement Corpus:** Helps employees accumulate funds for post-retirement.
- **Partial Withdrawals:** Allowed for medical needs, higher education, marriage, and home purchase.
- **Tax Benefits:** Interest earned and withdrawals after 5 years are tax-free.
- **Pension Support:** Employees with 10+ years of service qualify for monthly pension under EPS.

Current Status: ☒ **Yes** (Mandatory for organized sector workers in eligible establishments.)

2. Employees' State Insurance (ESI)

- **Meaning:** A health insurance scheme that provides medical and financial benefits to employees and their families during sickness, maternity, disability, or work-related injuries.
- **Governing Law:** Employees' State Insurance Act, 1948
- **Administered By:** Employees' State Insurance Corporation (ESIC)
- **Applicability:** Required for establishments with 10 or more employees.

Benefits

- **Medical Benefits:** Free treatment at ESIC hospitals and dispensaries.
- **Sickness Benefits:** 70% of wages for up to 91 days per year.

- **Maternity Benefits:** Paid leave (26 weeks) with full salary.
- **Disability Benefits:** Monthly financial assistance in case of permanent disability.

Current Status: ☒ Yes (Available for workers earning \leq ₹21,000 in registered companies.)

3. Gratuity

- **Meaning:** A lump-sum financial benefit paid by the employer to an employee as a token of appreciation for long-term service.
- **Governing Law:** Payment of Gratuity Act, 1972
- **Applicability:** Organizations with 10 or more employees.

Benefits

- **Retirement Benefit:** Financial security after leaving the job.
- **Death or Disability Compensation:** Paid even if the employee passes away or becomes disabled.
- **Tax-Free Up to ₹20 Lakhs.**

Current Status: ☒ Yes (Provided after 5 years of service; employer-funded.)

4. Maternity Benefits

- **Meaning:** Financial support, paid leave, and job security for women employees during pregnancy and childbirth.
- **Governing Law:** Maternity Benefit Act, 1961
- **Applicability:** Establishments with 10+ employees.

Benefits

- **Paid Maternity Leave:** 26 weeks (first two children), 12 weeks (third child onwards).
- **Medical Bonus:** ₹3,500 additional assistance.
- **Work from Home Option:** Post-maternity flexibility.

Current Status: ☒ Yes (Mandatory for all eligible female employees.)

5. Pension Schemes

- **Employees' Pension Scheme (EPS):** Provides a monthly pension after retirement (applicable for EPF subscribers with 10+ years of service).
- **National Pension System (NPS):** Voluntary retirement savings scheme.
- **Atal Pension Yojana (APY):** Pension scheme for unorganized sector workers.

Current Status: ☒ Yes (Active, with varying applicability.)

6. Unemployment Benefits

Rajiv Gandhi Shramik Kalyan Yojana

- **Meaning:** Financial support to insured employees who lose jobs due to retrenchment or factory closure.
- **Benefits:** 50% of salary for the first year, 25% for the second year.

Current Status: ☒ Yes (Limited to insured workers under ESIC.)

7. Other Social Security Schemes

- **Pradhan Mantri Shram Yogi Maandhan (PMSYM)** – Pension scheme for unorganized sector workers.
- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)** – Life insurance of ₹2 lakh for ₹330 per year.
- **Pradhan Mantri Suraksha Bima Yojana (PMSBY)** – Accidental insurance of ₹2 lakh for ₹12 per year.

Current Status: ☒ Yes (Active but requires voluntary enrollment.)

Industrial Disputes

Industrial dispute refers to conflicts or disagreements between employers and employees or between groups of employees over various issues concerning the employment relationship. These issues can include terms of employment, working conditions, pay, benefits, job security, or workplace practices.

Section 2K of the Industrial Disputes Act, 1947 offers a detailed definition of industrial disputes:

- It specifically mentions that the dispute must involve either:
 - Employers and employees, or
 - Employers and employers, or
 - Employees and employees.
- The dispute should directly relate to the conditions of labor, terms of employment, or issues surrounding employment/non-employment.
- An industrial dispute is **not a personal** conflict but rather a collective issue involving workers in the organization.
- The **affected parties** (employers, workers, unions) share a **common interest** in the dispute, which affects many workers at once.

2. Characteristics of Industrial Disputes

Industrial disputes exhibit several characteristics that distinguish them from other kinds of disputes:

- **Collective Nature:** These disputes involve a group of workers (rather than an individual worker) and are usually raised by unions representing workers. The nature of the dispute concerns the collective interests of employees.
- **Employment/Non-Employment Issues:** The dispute is directly related to issues of employment such as wages, working hours, job security, etc.
- **Workmen's Rights:** Disputes can arise due to a perceived violation or unfair treatment of employees based on contracts, work conditions, or management actions.
- **Common Interests:** Industrial disputes arise from common concerns among employees, making them an organized, collective issue that often involves multiple workers from the same or related organizations.

Example: A wage dispute involving hundreds of factory workers where the employer and employees have opposing views on the wage increase.

3. Causes of Industrial Disputes

Understanding the root causes of industrial disputes is crucial for preventing them and addressing them effectively. These causes can be **economic** or **non-economic**:

Economic Causes:

- **Wages and Benefits:** Disputes often arise when employees demand higher wages, bonuses, or benefits, which employers may resist. A common cause is the **cost of living** increases or the workers' perception of inadequate compensation.
- **Working Conditions:** Workers may demand improved safety measures, better equipment, or better environmental conditions (e.g., temperature, lighting, ventilation).
- **Social Security:** Disputes often arise over the adequacy of benefits like retirement plans, insurance, or other long-term welfare provisions.
- **Overwork or Workload:** Excessive workloads or unreasonable overtime demands can lead to disputes.

Non-Economic Causes:

- **Social Needs:** Workers may seek recognition, better communication, and appreciation, which, if ignored, can lead to disputes. This may relate to **job satisfaction** and **personal development** opportunities.
- **Political Factors:** External influences, including political interference or **union rivalries**, can exacerbate industrial disputes. Some unions may take extreme stances to prove their political alignment or to expand their base.
- **Management Style:** A **poor managerial approach**—including lack of transparency, authoritarian management practices, and failure to involve workers in decision-making—can lead to worker unrest.

Other Factors:

- **Union-Management Relations:** Differences in union leadership styles, or poor union-management relations, can also act as a catalyst for disputes.
- **Legal Violations:** Violation of labor laws, failure to comply with safety standards, or poor adherence to **labor rights** often leads to conflict.

4. Types of Industrial Disputes

Industrial disputes can be categorized into two broad types based on their nature and the issue at hand:

Interest Disputes:

- **Definition:** These disputes are centered on economic terms and conditions of employment. They typically emerge during the **negotiation or bargaining** stages.
- **Examples:** Wages, salaries, overtime pay, benefits, working hours, and the nature of the work itself.

Rights Disputes:

- **Definition:** These involve disputes over the interpretation, application, or implementation of laws, rules, contracts, or agreements between employers and employees.
- **Examples:** Disputes over dismissals, promotions, retrenchment, the legality of strikes or lockouts, or violations of existing agreements.

Outcomes of Industrial Disputes

When industrial disputes occur, they typically lead to several actions, with **strikes** being one of the most common outcomes. Strikes can take various forms depending on the nature and intensity of the conflict:

Types of Strikes:

- **General Strike:** A large-scale strike that involves workers from multiple industries, regions, or even entire countries.
- **Pen-down, Tools-down, Sit-in:** Employees may report to work but refuse to work (they may sit idly, put down their tools, etc.).
- **Wild-cat Strike:** An unauthorized strike conducted by workers, often in violation of existing contracts or agreements.
- **Go-slow or Work-to-rule Strikes:** Employees deliberately reduce their output by working at a slower pace or strictly adhering to work rules to hinder production.
- **Sick Leave Strikes:** Employees take sick leave en masse to disrupt work operations.
- **Sympathy Strikes:** Workers may go on strike in solidarity with other workers, even if they are not directly affected by the issue.
- **Hunger Strikes:** Workers may refuse to eat as a form of protest, forcing public attention on their demands.

Other Forms of Protest:

- **Picketing:** Striking workers assemble near entrances to prevent non-strikers from entering the workplace.
- **Gheraos:** A physical blockade of an employer or manager, restricting their movement to pressure them into conceding to worker demands.
- **Lockouts:** Employers may close the workplace temporarily or deny work to employees as a response to a strike.

Prevention of Industrial Disputes

Preventing industrial disputes is crucial for maintaining smooth operations within an organization. Various **strategies** and **mechanisms** can be employed:

Preventive Measures:

- **Model Standing Orders:** A legal requirement for employers to issue standing orders that regulate worker behavior and conditions of employment.
- **Grievance Procedures:** A structured system for employees to report dissatisfaction and seek redress, minimizing the risk of escalation.
- **Collective Bargaining:** Encouraging dialogue between employees (through unions) and employers to reach mutually beneficial agreements on various issues.
- **Work Committees:** Setting up committees that focus on resolving day-to-day operational and safety issues within the workplace.
- **Suggestion Schemes:** Encouraging workers to provide input on improvements, fostering a collaborative approach to solving problems.

Example: A well-designed grievance procedure where employees can raise concerns before they turn into disputes can prevent large-scale issues.

Settlement of Industrial Disputes

When disputes escalate, various **settlement mechanisms** are available to resolve the issues amicably. These include:

Conciliation:

- A neutral third party (the conciliator) helps both parties come together to negotiate and resolve the issue.
- **Example:** In a wage dispute, the conciliator could facilitate discussions between the union and the employer to reach a compromise.

Arbitration:

- A third party (the arbitrator) listens to both sides and makes a binding decision. This differs from conciliation, where the aim is compromise.
- **Example:** If workers and management cannot agree on wage increases, an arbitrator may impose a decision based on evidence presented by both sides.

Adjudication:

- Legal proceedings through courts or tribunals to settle disputes that cannot be resolved through conciliation or arbitration.

Labour Courts, Industrial Tribunals, and National Tribunals:

- These are formal bodies established to resolve industrial disputes that affect a large number of workers. Labour courts handle matters such as dismissals, while industrial tribunals may deal with wages, working hours, and retrenchment.

Example: A national tribunal might adjudicate a dispute involving workers across several states in a multinational company.

International Labour Organization (ILO)

The **International Labour Organization (ILO)** is a specialized agency of the United Nations that deals with labor issues, particularly international labor standards, social protection, and working conditions. It was established in **1919** as part of the Treaty of Versailles, which ended World War I.

Structure of ILO

The ILO operates with a tripartite structure that includes representatives from:

1. **Government representatives** (from each member state)
2. **Employer representatives** (from industry and business)
3. **Worker representatives** (from trade unions)

This structure ensures that the views of governments, employers, and workers are taken into account in its policies.

Key Organs of ILO:**1. International Labour Conference (ILC):**

- This is the main decision-making body of the ILO, composed of representatives from all member states.
- The ILC meets annually and is responsible for adopting conventions, recommendations, and setting labor standards globally.
- It discusses global labor issues and sets international labor standards.

2. Governing Body:

- The Governing Body is the executive council of the ILO. It meets three times a year and formulates the policy decisions of the ILO.
- It is responsible for the overall administration of ILO activities and the implementation of the ILC's decisions.

3. International Labour Office (ILO Office):

- The ILO Office is the secretariat of the ILO and is responsible for the technical and administrative work of the organization.
- It provides research, data collection, and analysis on labor issues, and supports ILO's activities around the world.

Purpose of ILO

The primary **purpose** of the ILO is to promote **social justice** and ensure fair and decent work conditions for all workers worldwide. It aims to achieve these through the following objectives:

1. **Promoting Rights at Work:** Ensuring the protection of fundamental rights such as the right to work, the right to social protection, the right to form and join unions, and the right to fair treatment.
2. **Encouraging Decent Work:** The ILO promotes jobs that are **productive, inclusive, safe**, and provide **fair wages**.
3. **Social Dialogue:** Ensuring that all parties (governments, employers, and workers) participate in making labor-related decisions at both national and international levels.
4. **Promoting Equality and Non-Discrimination:** Addressing gender inequality, child labor, forced labor, and discrimination in the workplace.

Functions of the ILO

- Creation of **coordinated policies and programs**, directed at solving social and labour issues.
- **Adoption of international labour standards** in the form of conventions and recommendations and control over their implementation.
- **Assistance to member-states** in solving social and labour problems.
- **Human rights protection** (the right to work, freedom of association, collective negotiations, protection against forced labour, protection against discrimination, etc.).
- **Research and publication** of works on social and labour issues.

What are the Objectives of the ILO?

- To promote and realize standards and fundamental principles and rights at work.
- To create greater opportunities for women and men to secure decent employment.
- To enhance the coverage and effectiveness of social protection for all.
- To strengthen tripartism and social dialogue.

Standards and Conventions

- **Total Conventions and Treaties:** The ILO has established 189 conventions and treaties.

- **Fundamental Conventions:** Eight conventions are classified as fundamental, focusing on:
 - **Freedom of Association and Protection of the Right to Organise Convention (No. 87):** Ensures workers' rights to form and join unions.
 - **Right to Organise and Collective Bargaining Convention (No. 98):** Protects the right to collective bargaining.
 - **Forced Labour Convention (No. 29):** Prohibits forced or compulsory labour.
 - **Abolition of Forced Labour Convention (No. 105):** Abolishes forced labour in all its forms.
 - **Minimum Age Convention (No. 138):** Sets minimum ages for employment to combat child labour.
 - **Worst Forms of Child Labour Convention (No. 182):** Prohibits the worst forms of child labour.
 - **Equal Remuneration Convention (No. 100):** Ensures equal pay for equal work.
 - **Discrimination (Employment and Occupation) Convention (No. 111):** Prohibits discrimination in employment.\

India and ILO: What is the Scenario?

- India is a **founding member of the ILO** and it has been a permanent member of the ILO Governing Body since 1922.
- In India, the first ILO Office was started in 1928. The decades of productive partnership between the ILO and its constituents has mutual trust and respect as underlying principles and is grounded in building sustained institutional capacities and strengthening capacities of partners.
- India has ratified six out of the **eight-core/fundamental ILO conventions**. These conventions are:
 - Forced Labour Convention (No. 29)
 - Abolition of Forced Labour Convention (No.105)
 - Equal Remuneration Convention (No.100)
 - Discrimination (Employment Occupation) Convention (No.111)
 - Minimum Age Convention (No.138)
 - Worst forms of Child Labour Convention (No.182)
- India has **not ratified** the two core/fundamental conventions, namely **Freedom of Association and Protection of the Right to Organise Convention, 1948 (No.**

87) and Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

- **(Freedom of Association and Protection of the Right to Organise Convention (No. 87):** Ensures workers' rights to form and join unions.)
- **(Right to Organise and Collective Bargaining Convention (No. 98):** Protects the right to collective bargaining)
- The main reason for non-ratification of ILO conventions No.87 & 98 is due to certain restrictions imposed on the government servants.
- The ratification of these conventions would involve granting of certain rights that are prohibited under the statutory rules, for the government employees, namely, the right to strike, to openly criticize government policies, to freely accept a financial contribution, to freely join foreign organizations etc.

Initiatives and Achievements

- **Nobel Peace Prize:** The ILO was awarded the Nobel Peace Prize in 1969 for its efforts in promoting peace and justice for workers.
- **Global Commission on the Future of Work:** Established in 2019, this commission addresses future labour challenges with recommendations like universal labour guarantees and lifelong learning.
- **Elimination of Child Labour:** The ILO's International Programme on the Elimination of Child Labour (IPEC) works globally to combat child labour.
- **Forced Labour:** The organization has launched initiatives to combat forced labour, including the ILO Forced Labour Protocol adopted in 2014.

Impact and Challenges

- **Global Influence:** The ILO's standards influence national labour laws and policies, promoting fair labour practices worldwide.
- **Challenges:** Balancing economic growth with social justice, addressing informal employment, and combating modern forms of slavery remain significant challenges for the organization.

A **Trade Union** is an organized association of workers formed to protect and advance their rights, interests, and welfare in the workplace. Trade unions serve as a platform for workers to collectively bargain with employers on various issues, such as wages, working conditions, benefits, and job security. They work to ensure that the interests of workers are safeguarded and that their voices are heard in decisions that affect their professional lives.

Functions of Trade Unions

Trade unions perform various key functions, which can be broadly categorized into the following:

1. Representation and Advocacy:

- **Collective Bargaining:** One of the most important functions of trade unions is negotiating with employers on behalf of their members to improve wages, benefits, and working conditions.
- **Legal Representation:** Trade unions offer legal assistance to workers when they face unfair treatment, discrimination, or disputes at the workplace.
- **Representation in Decision-Making:** Trade unions ensure workers' views are represented in company or industry-level decision-making processes.

2. Protection of Workers' Rights:

- **Defending Workers' Interests:** Trade unions protect workers from exploitation by ensuring that employers comply with labor laws and regulations.
- **Improving Working Conditions:** Trade unions fight for safer and healthier work environments, seeking improvements in workplace safety standards and practices.

3. Welfare Activities:

- **Social Security:** Many unions work to secure social welfare benefits for workers, such as pensions, medical insurance, maternity benefits, and disability coverage.
- **Employment and Training:** Unions often run programs that help workers improve their skills, ensuring they remain competitive in the job market.

4. Industrial Harmony and Dispute Resolution:

- **Settlement of Disputes:** Trade unions play a crucial role in resolving conflicts between workers and employers through negotiation and mediation.
- **Strikes and Protest:** When peaceful negotiation fails, trade unions may organize strikes or other forms of protest to pressurize employers or governments to address workers' concerns.

5. Promotion of Workers' Interests in Politics:

- **Lobbying for Labor-Friendly Policies:** Unions often engage in lobbying efforts to influence government policy, advocating for labor laws that favor workers' rights and promote fair employment practices.
- **Political Mobilization:** Some trade unions may engage in political activities to secure better representation of workers' interests at the national level.

6. Economic Support:

- **Financial Assistance:** In case of strikes or unemployment, trade unions often provide financial support to their members, such as strike funds or unemployment benefits.

Trade Unions Act, 1926

The **Trade Unions Act, 1926** is an important piece of legislation in India that governs the registration and regulation of trade unions. It provides a legal framework for the formation, registration, and functioning of trade unions in India, ensuring that they operate within a clear legal structure.

Key Provisions of the Trade Unions Act, 1926:

1. Registration of Trade Unions:

- Under this Act, a trade union must be registered with the appropriate government authority to acquire legal recognition. The union must have a minimum of **7 members** to be eligible for registration.
- Registration grants the union legal status and the ability to represent its members in negotiations with employers.

2. Rights and Immunities:

- **Immunity from Civil Suit:** Registered trade unions are granted immunity from civil suits for acts committed in the course of its activities, such as strikes and protests, as long as they are lawful.
- **Legal Standing:** A registered trade union is recognized as a legal entity and can enter into agreements on behalf of its members, take legal action, and manage its own affairs.

3. Election of Office-Bearers:

- The Act stipulates the requirement for a democratic election process for the election of office-bearers, ensuring that union leadership reflects the will of its members.

4. Duties and Functions of Unions:

- The Act mandates that the trade union's constitution and rules be clearly defined, including the procedure for conducting meetings, managing funds, and representing members in disputes.

5. Annual Returns and Accounts:

- The Act requires trade unions to submit annual returns to the government regarding their financial status, membership, and activities. This ensures transparency and accountability within the unions.

6. Union Funds:

- The Act specifies how the funds of the union should be managed and utilized. These funds are primarily used to further the union's objectives, such as legal representation, welfare programs, and supporting workers during strikes.

7. Registration of Trade Union Federation:

- The Act allows the formation of trade union federations, where multiple trade unions can come together for collective bargaining on a larger scale. These federations must also be registered under the Act.

8. Recognition of Trade Unions:

- Though the Act does not provide for automatic recognition of unions by employers, it is an important step in giving unions legal standing. Recognition by an employer can, however, come through collective bargaining agreements or government intervention.