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EDITORIAL ANALYSIS

# Has a Weakening of Unionisation Hurt Workers?

 THE HINDU

24 April 2026

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# Has a Weakening of Unionisation Hurt Workers?

 The Hindu

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## INTERVIEW ANGLE



*"Trade union membership is declining globally and in India. Has this weakened workers' bargaining power, widened wage inequality, and reduced labour standards? Or has India's formalization through EPF/ESIC and digital platforms compensated for union decline?"*

## THE CORE ARGUMENT

Trade union membership has declined sharply in India and globally as manufacturing employment shrinks, gig/platform work expands, and labour laws fragment workers. The editorial argues this has weakened collective bargaining, contributed to wage stagnation for lower-income workers, and increased informal employment's dominance. While government social security schemes (EPF, ESIC, PM-SYM) partially compensate, they do not replicate unions' role in workplace safety, grievance redressal, and real wage growth. The piece warns against assuming formalization through digital platforms replaces organised worker voice — productivity gains in India's high-growth sectors have not proportionally translated into wage gains for workers.

## THE DECLINE OF UNIONS — INDIA'S CONTEXT

### Trade Union Trends in India

INDICATOR	DATA
Registered trade unions in India	~80,000+ registered (2019 Labour Ministry data)
Unionisation rate (formal sector)	~20–25% of formal workers
Unionisation rate (overall workforce)	~2–3% of total workforce (~500 million)
Central Trade Union Organisations (CTUOs)	12 recognised CTUOs (INTUC, AITUC, BMS, CITU, HMS, etc.)
Manufacturing employment share	Declining as automation and contract labour rise

**Key trend:** As India's economy shifts from organised manufacturing to services and gig work, the traditional union model — built around factories and formal employment — becomes less relevant.

## WHY UNIONISATION HAS WEAKENED

### Structural Causes

- 1 De-industrialisation / services growth** — IT, e-commerce, delivery are harder to unionise (distributed workforce, individual contracts)
- 2 Contract labour** — ~50% of India's organised sector workers are contract/casual; not covered by most collective agreements
- 3 Labour code fragmentation** — India's 4 labour codes (2019–20) merged 44 laws but their implementation is incomplete; small establishments still exempt
- 4 Government industrial relations approach** — Strikes in “public utility services” require 14-day notice (Industrial Disputes Act 1947); effectively weakening bargaining

## The Gig Economy Effect

PLATFORM WORK	WORKER STATUS
Delivery (Zomato, Swiggy)	“Partners” — not employees
Ride-hailing (Ola, Uber)	Independent contractors
Domestic work (Urban Company)	Self-employed
Freelance IT	Individual contractors

**Platform workers’ gap:** No EPF, ESIC, gratuity, or collective bargaining rights. The Code on Social Security 2020 creates a framework for gig worker benefits — but implementation is pending in most states.

## THE EVIDENCE — HAS DECLINE HURT WORKERS?

### Wages

SECTOR	TREND
Organised manufacturing workers	Real wages grew ~3–4% annually (2010–2020) — partly union effect
Unorganised sector	Real wages stagnant or declined in some periods
Gig workers	Earnings volatile; no social security floor
India wage share (labour income/GDP)	Declining; capital share rising

### Workplace Safety

- India reports ~48,000 workplace accidents annually (official; actual likely higher)
- **Manipur-like informal construction accidents** — no union to enforce safety
- **Industrial disasters (Vizag gas leak 2020, Bhopal anniversary)** — unions historically played a role in demanding safety improvements

## GOVERNMENT SUBSTITUTES — DO THEY WORK?

SCHEME	COVERAGE	GAP VS UNIONS
<b>EPFO</b> (Employee Provident Fund)	~70 million active subscribers	Only covers EPF-applicable firms; excludes contract workers in small firms
<b>ESIC</b> (Employee State Insurance)	~35 million	Medical + disability; limited coverage
<b>PM-SYM</b> (Shram Yogi Maandhan)	Small; ~43 million registered	Voluntary; low adoption by informal workers
<b>e-Shram portal</b>	300+ million registered	Registration only; no benefit delivery yet

**Assessment:** Government schemes cover the floor of social protection but don't provide unions' core functions: collective wage negotiation, workplace grievance mechanisms, and safety enforcement.

## UPSC ANGLE

PAPER	ANGLE
GS3 — Economy	Labour market; gig economy; EPF/ESIC; wage inequality
GS2 — Governance	Transparency, accountability; labour law reform
GS1 — Society	Social sector; workers' rights; inequality

**Mains Keywords:** Trade unions, gig economy, Code on Social Security 2020, EPFO, ESIC, e-Shram, gig workers, platform economy, collective bargaining, wage inequality, Labour Codes 2019–20

**Probable Question:** “The rise of the gig economy has created a new class of workers without social protection or collective voice. How should India respond?” (GS3 Mains)

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