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# The Decline of Labour Unions in the 21st Century: A Comparative Analysis of the 2022 All India Bank Strike and Historic Textile Mill Strikes

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## ABSTRACT

*A comprehensive decrease has been seen in trade unionism in the 21st century, with their power further decaying due to technological advancement, globalization, and a changeable dice of economic policies. The present research paper offers a comparative analysis between the all-India bank strikes of 2022 and the long-ago historical textile mill strikes, from which it is hoped to examine the changing scenario of labor movements in India. In this analysis, the article aims at detailing the lesser power of unionism, the new demand orientations by workers, and new responses of employers and government to labor unrest. This study investigates the socioeconomic, political, and technical factors that have contributed to the decline of labor unions. In the paper, it is argued that privatization, digital automation, government intervention, and corporate resistance have eroded collective bargaining power this century. It is further posited that evolving worker priorities, which now put job security ahead of radical demands, have also changed the course of labor struggles. The comparative analysis shows that, if class struggle was a serious reason for past strikes, then contemporary movements are caught up in fragmentation, legal predicaments, and dwindling mass mobilization. Thus, the paper concludes with a reappraisal of labor unions and with possible answers and recommendations regarding their revival in a rapidly changing environment.*

**Keywords:** Labor Unions, Bank Strikes, Privatization, Collective Bargaining, Workers' Rights.

## I. INTRODUCTION

Labour unions have been an important part of industrial relations for the longest time, always fighting for the rights of the workers, working for wage parity, safe working conditions and job security from the employers. Historically in the industrial relations scenario, unions countervail

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the power between the employer and employee so that the worker has a voice in society. On the contrary, over the past few decades, systematic decline in the power and size of the population of labour unions has had its effects on the global workforce. The consequences of this transformation is witnessed in every part of the globe, both in developed and developing countries, which raises the question regarding the transformation of labour relations, the appropriateness of unions in the present economic context, and the policy interventions that have led to the reduction of their effectiveness.

The 2022 All India Bank Strike, organized by prominent banking unions, protested against privatization, job insecurity, and the diluting of workers' rights. Although its impact spread across the nation, the strike was shortened in time and gained very little in terms of success, which shows the modern limitation to unionized movements. Much unlike the 1982 Mumbai textile strike, the historic textile mill strikes were marked by highly visible and militant mass mobilization and deepened class solidarity. However, those strikes could lead to some very harsh ends for workers, such as loss of employment, stagnancy in wages, and in many cases, the demise of the industry.

The sheer number and diversity of workers in India raise an even more interesting case to understand this phenomenon. The country has seen some of the largest labour movements ever, starting with the textile mill strikes in the early 20th century and leading to the most recent 2022 All India Bank Strike. And though these two labour movements come decades apart, they mark the changing scenery of labour activism in India and the intersection of economic reforms with government policy and corporate interests. While most historic strikes demonstrate mass mobilization and long resistance-the longest being in 1982-Mumbai textile strike-modern strike actions within the banking sector are shorter, targeted, and often result in little impact. This understanding evokes a critical question: *Why have trade unions lost their power and significance in the 21st century?*

Adaptability of the union, policy reforms, and activism in the digital age are fundamentally important to ensure that workers' rights are not further undermined. Thus this paper emphasizes that with a lesson from past and present labor movements, there is an immediate need for a revival, inclusivity, and strategy application in the practice of labor unionism in the 21st century.

## II. ANALYSIS

### (A) The Evolution of Labour Unions in India

Before the First World War, a trade union movement arose in India. The first trade union in India dates back to 1890. However, the trade union movement was not strong enough as

compressive labor legislation was absent and the real threat was that of competition from local workers themselves, rather than any outside competition. Labour unions apparently began as one of the legal premises. Workers' movements in India date back to the colonial period, when industrialization made workers vulnerable to exploitation. Heavy labor, starvation wages, and extended hours required collective organizations to fight for their rights.

Post-independence unionism ushered in landmark reforms in the area of labour legislation which aided-improved pay, better working conditions, and entitlement for collective bargaining. However, India's economy changed significantly by 1991, thus being opened to globalization, privatization, and market-driven policies, which have affected employee-employer relationships.

Liberalization-the event that changed everything around the economy with regards to efficiency, clear cut competition, and out-and-out profitability of any undertaking above the traditional labour conditioning. The induction of international companies and privately organized establishments resulted in a much shrunken unionized labour and even the employment base-shifted to contractual, temporary, and gig work. Moreover, such reorganizing of the employment base has starkly reduced membership dependent on unions and weak bargaining power even in much strengthened collective labour movements.

The trade union movement in India was influenced by the Industrial Revolution and gained momentum during the early 20th century.<sup>3</sup> Key events like the Swadeshi movement and the non-cooperation movement provided a favorable environment for labor movements. Strikes such as those in Bombay's textile mills during 1919-1921 were significant, with many concessions being won by workers. The All India Trade Union Congress (AITUC) was formed in 1920, and the All India Railwaymen's Federation in 1922. These organizations played crucial roles in organizing labor movements across different sectors<sup>4</sup>

In recent years, sporadic incidents of labour unrest in India have not been without their challenges. The latest of these was the 2022 All India Bank Strike, which witnessed the protests of banking unions against privatization and job insecurity. The strike has not only achieved a great mobilization impact, but it also reflects the limited success of unions in terms of the overall declining trend of unions influencing economic policies. Its comparison with the yesteryear's record of textile mill strikes makes the decline in union power even more apparent. The potent

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<sup>3</sup> V.V. Giri Nat'l Lab. Inst., *Evolution of Trade Unions in India*, at 1 (2021), <https://vvnli.gov.in/sites/default/files/Evolution%20of%20Trade%20Unions%20in%20India.pdf>

<sup>4</sup> Nishith Desai Assocs., *India: Trade Unions and Collective Bargaining*, at 1 (2020), [https://www.nishithdesai.com/fileadmin/user\\_upload/pdfs/Research%20Papers/India-Trade-Unions-and-Collective-Bargaining.pdf](https://www.nishithdesai.com/fileadmin/user_upload/pdfs/Research%20Papers/India-Trade-Unions-and-Collective-Bargaining.pdf)

energies of labour were deployed in shaping industrial policy, managing to assert themselves in this new environment characterized by corporate supremacy and government restrictions.

One of the fundamental reasons behind the decline of labor unions<sup>5</sup> was the change in economic policies after the 1991 liberalization of the Indian economy. The thrust on free market principles, privatization, and foreign direct investments has tilted the scales very much in favor of the employers. Big companies can use more ways of suppressing union activities through contract labor, outsourced jobs, and the use of automation. Contract employment and gig jobs have further made informalisation among workers into a union membership decline because gig workers and contract workers usually do not enjoy job security that would motivate them to join unions. There are also laws regarding the process of doing things for restrictive labour purposes aimed at economic growth in a country and thus lead to restrictions in collective bargaining and strike actions.

One more important consideration is how the collective attitude of workers towards unions is changing within themselves. In earlier times, union membership was believed to be a prime essential guard against exploitation; now, however, most workers—especially those of white-collar and service jobs—consider unions as relics or redundant. Government and other media ways have also fairly contributed to changing the perception toward unions by showing them more as hindrance than to be protective of one's rights as a worker.<sup>6</sup> With this kind of fragmentation, the workers of various industries find it increasingly difficult to carry forward a large-scale unified movement, as they could in the past.

### III. 2022 ALL INDIA BANK STRIKE<sup>7</sup>

#### (A) Key Events

From the very name of the strike, it can be comprehended that the main purpose behind the strike was to oppose government's intention to go for privatization of two public sector banks as was announced in Budget 2021-22. Strike notice was given after AIBEA had served the notice on the Indian Banks Association signifying that the bank employees would cease work for the sake of their demands. The unions began mobilizing their members throughout the nation, expecting maximum participation. The bank unions were worried from this point of view, lest this move would lead to losses of jobs and changes in service conditions. The unions,

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<sup>5</sup> Henry S. Farber, *Union Membership in the United States: The Divergence between the Public and Private Sectors*, at 1 (2020), <https://www.ifs.org.uk/inequality/wp-content/uploads/2020/10/Farber.pdf>

<sup>6</sup> Labour Bureau, Govt. of India, *Trade Unions in India 2020*, at 1 (2020), <https://labourbureau.gov.in/uploads/pdf/TU-2020-report.pdf>

<sup>7</sup> All India Bank Employees vs National Industrial Tribunal 1962 AIR

in this context, were agitating against some labor reforms being proposed and with the outsourcing of permanent jobs in the banking sector. According to union representatives, these reforms would lead to a weakening of workers' rights and job security. The bank employees demanded an increase in wages, decent working conditions, and an increase in interest rates on deposits, along with a marked decrease in service charges for customers. It was not just a local strike; it was a nationwide strike in the banking sector. Most of the public sector bank branches were shut, resulting in delay of cash withdrawals and deposits, cheque clearances and disbursements of loans. ATMs went dry owing to the lapse in replenishments, inconveniencing customers. Its core demands are abrogation of the proposed labor codes, withdrawal of privatisation moves and a solution to the problems of job security and wage revisions raised by it. The unions have argued that "privatisation would adversely impact employees and service quality in banking."

The strike was a bolt for banking services throughout the nation. Most public sector banks remained closed, causing delays in cash withdrawals, deposits, cheque clearances, and loan disbursements. ATMs ran dry for the absence of replenishments and caused trouble to customers. The uniifications included scrapping the proposed labor codes, halting privatization, and settling questions on job security and wage revision. The unions argued that privatization would be harmful to employees and the quality of banking services.

#### **(B) Judicial Response:**

Although no judgment has been given that directly concerns the events surrounding the strike of 2022, there are ongoing discussions among the jurists regarding the workers' rights to strike and the consequences of such an act with regard to public services. The courts have given these rights an appropriate consideration against the necessity of having essential services running. Some cases show that, in some instances, courts would prevent a union from going on strike if the strike would be likely to damage public interest or essentially be injurious to the services. But that being said, the judiciary has acknowledged the right to protest against government policies affecting labor rights.

### **IV. GREAT BOMBAY TEXTILE WORKERS STRIKE OF 1982-83<sup>8</sup>**

#### **(A) Background:**

The strike began on January 18, 1982, with more than 250,000 employees working in 65 mills involved in it. The strike led by Datta Samant demanded higher wages and improved working

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<sup>8</sup> Basappa And Ors. vs The Textile Commissioner, Bombay AIR 1980 KAR130.

conditions, a reaction to stagnant wages and deteriorating living standards of textile workers. On and off for almost a year now, the strike had failed. The government was on the mill owners' side and refused to negotiate, and thus the struggle was further weakened. A large number of mills were shut down after the event, thus depriving more than 150,000 workers of any source of livelihood. While no explicit judicial ruling examined the legality or the demands of the strike, the failure of the industrial action further manifests the challenges labor movements face in resisting economic liberalization and industrial restructuring. The experience of the volley finds itself relevant to current-day issues by exemplifying the extent labor unions must go nowadays in navigating negotiations with government and employers in a neoliberal economic setting.

No singular judgment was put forth by the courts on the strike legality or demands of the concerned parties. However, mega strikes fail and this resounds the challenges of labor movements in their efforts to take a stand against economic liberalization and industrial restructuring. This strike talks about current issues as it demonstrates the hardships that labor unions have to face when negotiating with a government and employer under the neoliberal environment.

### **(B) Comparative Analysis of both the case**

Both strikes highlight the historical context of labor movements in India, demonstrating how workers have sustained their fight for better conditions and rights. This ongoing struggle relates to the currently declining labor unions in the 21st century as an example of how labor movements evolve with the prevailing economic and political circumstances. The challenges of previous centuries for textile workers are also those faced by bank employees and other sectors nowadays, such as opposition to privatization and labor reforms.

#### **1) A History of the Strikes**

**2022 All India Bank Strike:** The strike erupted mainly in retaliation to the government proposal for privatization of public sector banks that bank employees feared could lead to job losses and worsening working conditions. Improvement in wages and job security was the other major cause behind the strike. **Great Bombay Textile Strike (1982-83):** This strike had its origins in age-long grievances about stagnation of wages, miserable working conditions, and demands for bonuses. Led by Datta Samant, the textile workers sought to challenge the established union-Rashtra Milla Mazdoor Sangh-and sought to strengthen their bargaining capacity against the mill owners.

#### **2) Organizational Dynamics**

2022 All India Bank Strike: This strike had unions such as AIBEA organizing and making common cause with various bank unions throughout the country. Leadership was more centralized and aimed at limited specific economic demands with a view to privatization and labor reform. Great Bombay Textile Strike (1982-83): The hallmark of this strike was grassroots mobilization organized by Datta Samant to overthrow the existing union leadership. This strike united a number of workers from many mills of Mumbai, thus giving a clear picture of the overwhelming solidarity among textile workers.

### **3) Effects of Strikes on the Economy**

2022 All-Indian Strike by Banks: The strike severely crippled the normal functioning of banking services, with a number of branches remaining closed, and delay in making transactions. The action lasted more time than an ordinary one-day strike and seemed to be continuously wrangling between bank employees and government policy, without any relief being achieved. Great Bombay Textile Strike (1982-83): of duration nearly 18 months; grand economic repercussions; permanent closure of many mills; loss of jobs for many hundreds of thousands of textile workers. Landmark event in labor history-never-the-less, failed to bring the shutters down on the demands because the government put its weight behind the mill owners.

### **4) Judicial and Government Response**

2022 All India Bank Strike: There were no specific court pronouncements directed at this strike; however, the ongoing cases relating to worker right to strike and the governmental policies in the area were related. Rather, the union protests did not soften the government's tough stand against privatization. Great Bombay Textile Strike (1982-83): The government played its part in suppressing the strike by siding with mill owners and refused to even enter into negotiations. This setting demonstrated the difficulties faced by labor movements in dialogues with state and capital.

### **5) Broader Implications for Labor Movements**

2022 All India Bank Strike: It marks the major problems faced by labor unions in their attempts to counter the neoliberal trends that pose threat to even public sector jobs. Demonstrates the importance of collective action in advocating for workers' rights against privatization efforts. Great Bombay Textile Strike (1982-83): The strike in question has become a strong warning about how division within labor movements and the consequent intervention by the state might endanger movement elements. All along, it showed how economic restructuring could erode into the rights of workers with future job loss.

The critical junctures are engraved in the history of labor movements in India, actually creating



a crevice through which the struggles of labor against the state and the capital could be examined. The All India Bank Strike of 2022 brought back memories of bygone times-still, it also disclosed the grievances against labor today. Grasping these happenings helps better understand the dynamics that govern labor movements in India today. However, calls for labour unions are still very much important. The All India Bank Strike, even though it did not realize all its declared objectives, did justice for the discontented banking employees and larger issues of the cause of privatisation. Those involved were reminded that grievances against workers do exist even if their voices are somewhat suppressed. In much the same way, the textile mill strikes of yore not only brought about immediate reforms but also provided a contemporary labour movement with knowledge about solidarity, perseverance and the effectiveness of united action.

The comparative study of these two strikes underscores the stronger theme of labour's declining influence in times of rapid transformative change in the economy. By looking into the history, policy changes, and present-day hurdles faced by unions, this paper seeks to present a holistic picture of the reasons why labour movements have declined and what can be done to revive them. It should be regarded as all too evident that diminishing union power has consequences well beyond the interests of workers alone and into the broader realm of social and economic justice. If labour unions wane even further, the gulf between the employer and the employee will widen with dire consequences for a working environment where the employee stands increasingly vulnerable to exploitation.

## **V. CONCLUSION AND RECOMMENDATIONS**

The dwindling of trade unions is not merely numerical in the sense that it cannot be seen only as a declining number of labour unions; rather, it is indicative of the fundamental restructuring of the socio-economic landscape within which workers exist. The collective powerful voice of labour movements in the past has slowly been silenced by globalization, economic liberalization, legal restrictions, and the advent of precarious employment models. Nevertheless, worker representation in the workplace remains imperative. The fights evident in the past and present strikes-from the 1982 Mumbai textile mill strike to the 2022 All India Bank Strike-refer to the continuous changing face of struggles faced by unions in India, although traditional types lose appeal, forms of industrial action do not yet lose value compared with principles, as collective action, for fair wages, and workplace justice remain as core principles in labor movement activities.

Weakening of the unions has made the workers more vulnerable in such a way that distance

between employer and employee is only widening. Increase in contractual employment and informal labour and now a serious dimension of automation have aggravated this imbalance all the more, throwing the majority of workers without any safety net. If these weak unions fail to protect workers, they will only be reduced as a cog or part of the big economic machine and will not have a say in determining their own futures. Decline of traditional unionism is certainly an evident fact, but it cannot mean that it is destined to perish altogether. Unions will have to change their perspectives to make them relevant in the 21st century, evolving new strategies and adapting gradually to the changing nature of work.

#### **(A) Recommendations**

1. **Digital Organizing and Technology to the Rescue:** Labour unions ought to support new ways of reaching and connecting with workers, building consciousness, and mobilizing sympathy through digital processes. These processes must be understood with the notion that physical borders would no longer limit collective action. Connections conducted through social media, mobile-phone applications, and online campaigning create avenues to join workers from various regions so that collective action could pass through and out of a physical picket line into a digital world.
2. **Strengthening Legal Advocacy and Policy Lobbying:** An imperative for unions is to engage in stronger levels about worker rights. Unions could lobby for better labour laws, employment laws, and social security benefits, ensuring maximum representation for workers in the decision-making process.
3. **Revitalizing Collective Bargaining Frameworks:** Labour unions should aim for the enhancement of the bargaining power of collective bargaining mechanisms through a view of retaking lost strength. Exemplified best by concrete sectoral bargaining, collective bargaining generates solidarity among workers to diminish the corporate powers' consolidated negotiating strengths.
4. **Organizing Workers from the Informal and Gig Economy:** With an innumerable share of the worker population in India being engaged in informal and gig-based employment, it becomes imperative for the unions to extend their reach away from traditional sectors. Organizing contract workers, freelancers, and other types of gig workers will be a priority in seeking fair wages, benefits, and legal protection for all workers, no matter what the mode of employment is.
5. **To Ensure Tort Liability Against Possible Non-compliance:** The government has to take a proactive stand in promoting the welfare of the labour rights, implementation of

labour laws, and prevention from exploitative employment practices. For the corporate side, there should be stringent accountability to fair terms, so that corporate social responsibility does not become an instrument for exploitation of helpless workers.

6. **Educating and Empowering Workers:** One of the major obstacles faced by the present day labour movement is the unawareness of the workers about their rights. Unions must start initiatives to put in place education programs for workers on labour laws, grievance redressal mechanisms, and negotiation skills for self-advocacy.
7. **Union Solidarity Across Sectors:** All labour movements need to preach inter-sectoral solidarity, not confining themselves to one specific industry. Building bonds between workers in banks, manufacturing, services, and informal sectors will overwhelmingly benefit the entire bargaining process and improve labour struggle.

The decline of labor unionism is not merely a question of economics or law- it is a human issue. Millions of lives- filled with the dignity, security, and welfare of these human beings- are affected. They produce industries and sustain economies while feeding millions of families. The future of workers' rights in India today will depend on how unions can adapt to new realities, how governments will be able to regulate such behavior on the part of businesses, and how far businesses will commit themselves to ethical labor practices.

The fight for fair wages, job security, and decent, safe working conditions has to continue as it has always done: as a political battle and, above everything else, as a moral imperative. Longer, even if the old traditional model of unionism is apparently going through some transformation, the fundamental need of worker representation hasn't changed. The unions have a chance to survive, nay flourish, in the millennium if they can modernize themselves, broaden their function, and redefine their policies. All the dignity of workers strengthens a nation, and protecting that dignity through collective action, legal safeguards, and a renewed pursuit of social justice will augur well for the future of labor rights in India.

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