



## INDUSTRIAL DISPUTES IN INDIA DURING PRE AND POST REFORMS ERA: DIMENSIONS AND IMPLICATIONS

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### ABSTRACT

**KEYWORDS:**  
*Industrial disputes,  
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*Industrial disputes in the form of strikes and lockouts arrest both the workers and entrepreneurs as workers lose their wages and entrepreneurs forego profits for the dispute period. Further as industrial output declines due to disputes, national income, exports and hence foreign exchange reserves will be reduced. Thus Govt. of India has been implementing various policies and programmes for reducing industrial disputes particularly in the context of economic reforms. The present paper examines the extent of strikes and lockouts, their impact on wages and production, causes of disputes and the process of resettlement during the pre (1980-1990) and post (1991-2012) reform period in the country. The study observes that although industrial disputes declined during the post reforms period than that of the pre reforms period, their impact has been significant on loss of wages and production. Hence the study argues for improving good industrial relations so that industrial disputes will be eliminated.*

### INTRODUCTION

Friction between the workforce and management breeds conflict and results in various forms of protest. For example, workers protest in the form of strikes, goslow, gheroas, demonstrations etc., and management, generally adopts lockouts, retrenchments, dismissals etc., whenever any conflict arises in the enterprise. However, among all strikes and lockouts are very popular. Lockout may be described as an antithesis of strike (Sudama Singh 1992). Conceptually the right to strike/lockout is recognized in all democratic societies (National Commission of Labour Report 1969).

It is beyond any dispute that, strikes and lockouts are not good as they inflict several adverse consequences on the society. Workers lose their earnings and employers forego their profits for the strikes/lockouts period. Further as national output declines due to stoppage of work, exports and in turn foreign exchange earnings get reduced. Inflation also increases in the economy. Thus good industrial relations between workers and management play an important role in the context of growth and development of industry. Keeping this in view, many studies have been appeared dealing with various issues of industrial relations in the literature for various times and regions but no concrete attempt has been made to study the nature and extent of strikes/lockouts and their causes, consequences and process of settlement during the pre and post reforms period in India. Such analysis is very useful in understanding the impact of reforms on industrial relations. Hence the present study has been carried out for the pre (1980-1990) and post (1991-2012) reforms period in India with the following

### OBJECTIVES

1. To study the trends in strikes and lockouts during the Pre (1980-1990) and Post (1991-2012) reforms period.
2. To examine the nature and extent of man-day lost, production lost and wages lost due to industrial disputes during the study period and
3. To examine the causes of industrial disputes and pattern of settlement in India.

The study has been carried out by using the secondary data collected from a) Reports of Indian Labour Statistics of various years b) Indian Labour Year Books and Journals of various years. c) Reports of Annual Review of Industrial Disputes in India of various years.

### METHODOLOGY

The following methodology has been adopted in the study

1. The growth of variables under study via strikes, lockouts, total disputes, workers involved, man days lost has been studied by estimating the annual average growth rates for the two sub periods i.e., (1980-1990) & (1991-2012) at all India level.
2. The percentage share of strikes and lockouts in total disputes has been calculated for the two sub periods.
3. The three criteria measures viz.,
  - a) Disputes Duration Ratio (DDR)
  - b) Time Loss Ratio (TLR)
  - c) Dispute Coverage Ratio (DCR)

Have been estimated by using the following method to examine the effects of strikes and lockouts on manufacturing sector for the two sub periods.

DDR = L/W (No. of mandays lost per worker)

TLR = L/D (No. of mandays lost per dispute)

DCR = W/D (No. of workers per dispute)

Where,

W = Number of workers

L = Number of man days lost

D = Number of disputes

**ANALYSIS**

**1.1 Growth of Industrial Disputes:**

In order to examine the growth of industrial disputes, average annual growth of strikes, lockouts and total disputes have been estimated for the study period and presented in Table-1.1

It is evident from the same table that strikes have grown at a negative rate during both Pre and Post reforms period but at a higher rate (-6.86%) during the Post reforms period than that of the Pre (-5.60%) reforms period. Similarly industrial lockouts also have grown at a negative rate of 1.65% per annum during the post reforms period however its growth rate was positive to the extent of 1.57% per annum during the Pre reforms period. While industrial disputes comprising of strikes and lockouts have shown a higher rate of decline (-6.0%) during the post reforms period than that of the pre reforms period (-4.69%). These analyses indicate that industrial disputes have declined at a higher rate during the post reforms period than that of the pre reforms period and within the disputes, strikes have declined at a higher rate compared to that of lockouts during the same period.

**Table -1.1**  
**Annual Average Growth of strikes, lockouts and total disputes in Industrial sector in India 1980-2012**

Period	Strikes	Lockouts	Total Disputes
1980-1990	-5.60	1.57	-4.69
1991-2012	-6.86	-1.65	-6.0

Source: Own estimates based on secondary data

**1.2 Relative share of strikes and lockouts:**

Table-1.2 presents the relative shares of strikes and lockouts in total industrial disputes in India. It may be noted that strikes have accounted for 87.57 percent of share in total disputes in 1980 and have shown a decline to 79.95 in 1990 while lockouts have accounted for 12.43 percent of share in total disputes in 1980 and have shown an increase to 20.05 percent in 1990 indicating that lockouts have increased while strikes have declined during the pre reforms period. On the

other hand the share of strikes in disputes has declined from 70.61 percent to 59.23 percent during the post reforms period (1991-2012). While the share of lockouts has increased from 29.39 percent to 40.17 percent during the same period. These analysis indicate that although strikes accounted for more than 75 percent of disputes their share has declined over the period while the share of lockouts has increased particularly during the post reforms period in India.

**Table-1.2**  
**Relative shares of strikes and lockouts in total disputes in India during the period 1980-2012**

Year	Strikes	Lockouts	Total Disputes
1980	2501 (87.57)	355 (12.43)	2856 (100)
1990	1459 (79.95)	366 (20.05)	1825 (100)
1991	1278 (70.61)	532 (29.39)	1810 (100)
2012	260 (59.23)	179 (40.17)	439 (100)

Source: Own estimates by using the secondary data.

**1.3 Growth of Workers involved and Man days lost.**

Table 1.3 presents the growth performance of workers involved and Man days lost during the two sub-periods. It may be noted from the table that the workers involved in disputes has grown at a higher rate during the post reforms period (8.99%) than that of the pre reforms period (0.37%).

However, the growth of Man days lost was higher during the pre reforms period (10.15%) than that of the post reforms period (0.15%) indicating that although more workers involved in disputes during the post reforms period man days lost was less during the post reforms period in the country.

**Table - 1.3**  
**Annual Average Growth of workers involved and Mandays lost due to Industrial disputes during the period 1980-2012**

Period	Workers involved	Mandays lost
1980-1990	0.37	10.15
1991-2012	8.99	0.15

Source: Own estimates based on secondary data

### 1.4 Wages and Production lost due to Industrial Disputes 1976-2012

It is evident from the Table 1.4 that Industrial workers lost wages to an extent of 12.33 cr in 1976 and this has increased to 116.72 cr in 2012 with high fluctuations. It appears that in the loss of wages was very high in the year 2006 to an extent of 173.00 cr followed by Rs.116.11 cr in 2005, Rs. 108.16 cr in 2004 indicating a severe loss during the period 2004 to 2006.

Similarly Industrial sector has experienced a serious loss in its production due to Industrial disputes in the Country. This can be seen from the same table that in the production loss was to an extent of 92.31 cr. In the year 1976 and it has increased to Rs. 267.27 in the year 2012 with high fluctuations. The loss was very high in 2001 (830.21 cr) followed by 694.31 cr (1998) and 682.96 cr (2002) by giving evidence to the fact that workers and entrepreneurs were both have lost significantly wages and production respectively during the study period due to industrial unrest.

**Table - 1.4**

#### Wages and Production lost due to Industrial disputes in India

Year	No. of disputes	Wages lost (Rs. in crores)	Production lost (Rs. in crores)
1976	1459	12.33	92.31
1981	2589	46.83	628.76
1986	1892	21.42	287.94
1998	1077	103.66	694.31
2001	674	76.78	830.21
2002	579	60.50	682.96
2004	477	108.16	355.60
2005	456	116.11	345.07
2006	430	173.00	381.38
2007	389	44.39	267.40
2008	421	82.87	228.82
2009	392	85.23	594.49
2010	426	100.55	151.97
2011	370	47.25	348.91
2012	439	116.72	267.27

Source: Ministry of Labour, Govt. of India

### 2. ANALYSIS OF CRITERIA MEASURES I.E., DDR, TLR AND DCR IN INDUSTRIES

It may be noted from table-2 that the growth of No. of Mandays lost per worker was higher during the pre reforms period (16.07) than that of post reforms period (9.57). Similarly the growth of No. of Mandays lost per dispute was higher during the pre reforms period than that of the post reforms period. However the growth of No. of workers per

dispute was higher during the post reforms period compared to that of the pre reforms period. One may conclude on the basis of these analysis that although growth of No. of workers per dispute was low, Indian industries have experienced a higher growth of Mandays lost per worker and No. of Mandays lost per dispute during the pre reforms period than that of the post reforms period.

**Table -2**

#### Average rate of DDR, TLR and DCR in Indian Industries 1980-2012

Period	Disputes Duration Ratio (L/W) (No. of mandays lost per worker)	Time Loss Ratio (L/D) (No. of Mandays lost per dispute)	Disputes Coverage Ratio (No. of workers per dispute)
1980-1990	16.07	16.22	4.64
1991-2012	9.57	7.55	20.94

Source: As in Table 1 & 2

### 3. CAUSES OF INDUSTRIAL DISPUTES

Although the no. of Industrial disputes have declined over the study period, industrial sector has continued to experience disputes in the country. Hence it is important to identify the causes of disputes. In order to examine this, the relevant data are presented in Table-3.

It is evident from the same table that the issue of wages and allowances accounted for the highest share (28.12%) in total causes followed by others (26.30%) and personnel reasons (17.61%) in 1981. The remaining causes such as bonus, retrenchment, leave, indiscipline and violence etc., have accounted for a negligible share in total causes of disputes. However, its share has declined to 22.33 percent in 2012

where as the share of issue of indiscipline and violence has gone up from 9.42% in 1981 to 36.16% in 2012 indicating that indiscipline and violence has increased among the working community.

As industrial disputes affect workers and producers very significantly, the government has been taking various measures for settlement of disputes. Infact it brought out the Industrial Disputes Act in 1947 for the settlement of industrial disputes through conciliations, arbitrations and adjudication. The Second Five Year Plan considered industrial democracy as a prerequisite for the establishment of a socialist society. The Sixth Five Year Plan also made a similar plea. (Nanjurdappa 1991).

Table - 3

## Disputes Classified by Causes in India

Year	Wages & Allowances	Bonus	Personnel	Retrenchment	Leave and HRS of Work	Indiscipline and Violence	Others	Not Known	Total
1981	728 (28.12)	207 (7.99)	456 (17.61)	94 (3.63)	43 (1.66)	244 (9.42)	681 (26.30)	136 (5.25)	2589
1991	435 (28.90)	70 (4.65)	270 (17.94)	39 (2.59)	18 (1.20)	335 (22.25)	300 (19.93)	38 (2.52)	1505
2001	166 (24.63)	44 (6.53)	74 (10.98)	9 (1.34)	1 (0.15)	156 (23.15)	167 (24.78)	57 (8.45)	674
2012	71 (22.33)	5 (1.57)	43 (13.52)	3 (0.94)	1 (0.31)	115 (36.16)	76 (23.90)	04 (1.26)	318

Source: Ministry of Labour & Employment, Govt. of India and Institute of Applied Manpower Research

#### 4. METHODS OF SETTLEMENT OF INDUSTRIAL DISPUTES

In order to know the methods of settlement of Industrial disputes, the details are presented in table-4. It is evident from the same table that 539 disputes were settled by voluntary resumption which accounted for the share of 43.79% in total disputes in 1988 while 485 disputes were settled by government with intervention which accounted for 39.39% and the remaining disputes (207) were settled by mutual settlement in the same year. While the share of disputes settled by voluntary resumption has gone up from 42.47% in 1998

to 52.41% in 2012. On the other hand the share of disputes settled by government intervention has slightly declined from 39.39% to 30.38% during 1988 to 1998 and increased to 30.38 to 30.72% during 1998 to 2012. Similarly the share of disputes settled through mutual settlement has also increased from 16.82% to 27.15% during 1988 to 1998, however declined to 16.87% in 2012. One may conclude on the basis of these observations that majority of disputes were settled by voluntary resumption method followed by government intervention and mutual settlement during the period 1988 – 2012 in the country.

Table- 4

#### The relative share of various methods of settlement of industrial disputes in the country 1988-2012

Year	Government Intervention	Mutual Settlement	Voluntary Resumption	Total
1988	485 (39.39)	207 (16.82)	539 (43.79)	1231
1998	226 (30.38)	202 (27.15)	316 (42.47)	744
2012	51 (30.72)	28 (16.87)	87 (52.41)	166

Source: Ministry of Labour, Govt. of India.

#### CONCLUSIONS

The following conclusions have been emerged from the study. Industrial disputes have shown a higher negative rate of growth during the post reforms period than that of the pre reforms period in India.

1. Although strikes have accounted for more than 75 percent of disputes, their share has declined over the period while the share of lockouts has increased particularly during the post reforms period.
2. Although workers involvement is higher during the post reforms period than that of the pre reforms period, the Mandays lost was less during the former than that of the later period.
3. The growth of no. of Mandays lost per worker and also the growth of Mandays lost per dispute were higher during the pre reforms period than that of the post reforms period while, the growth of no. of workers per dispute was lower during the same period than that of the post reforms period indicating that although the involvement of workers in disputes was lower, industries have experienced higher Mandays lost during the pre reforms period than that of the post reforms period.
4. Although wages and allowances acted as a main cause for industrial disputes in 1981. Indiscipline and violence became main causes for disputes over a period 1981 – 2012.

5. A majority of disputes were settled by voluntary resumption method followed by government intervention and mutual settlement during the period 1988-2012.

Based on the above conclusions, the study suggests that Indian industry has to implement good industrial relations to reduce the quantum of disputes in the context of economic reforms for achieving higher rate of industrial output and welfare of working community.

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