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History of collective bargaining in India

“Recognition of the union has been an important issue in the absence of any compulsory recognition by law. In the under-developed countries in India, however, on account of the tradition concept of management functions and the immaturity of the industrialist class there is much resistance from the employers to recognise the status of the unions.”

Bargaining upon wage problems to fight inflation or rising cost of living and to resist wage cuts during depression has resulted in several amicable agreements. But, no statistics are available for such amicable settlements. Therefore, Daya, points out, “It has been customary to view collective bargaining in a pattern of conflict; the competitively small number of strikes and lock-outs attract more attention than the many cases of peaceful settlement of differences.”

Another issue on which bargaining takes place is seniority, but in India, it is of less importance than in western countries. But, in India, lay-off, retrenchment, dismissal, rationalisation and participation in the union activities have been important issues for collective bargaining.

Regarding bargaining on hours of work, it has recognized that “in one form or another subject of working time will continue to play an important part in collective bargaining; although the crucial battles may be well fought in the legislative halls.”

Overtime work, holidays, leave for absence and retirement continue to be issues for bargaining in India, although they are not regarded as crucial.

The union security has also been an issue for collective bargaining, but it could not acquire much importance in the country, although stray instances are found. The Tata Workers union bargained with M/s Tata Iron and Steel Co. Ltd., Jamshedpur, on certain issues, one of which was union security and in the resulting agreement some of the union security clauses were also included.

The production norms, technical practices, details of working rules, standards of performance, allowance of fatigue, hiring and firing, protection of life and limb, compensation for overtime, hours of work, wage rates and methods of wage payments, recognition of unions, retrenchment, union security, holidays

and competence of workmen form the subjects of negotiations and agreements through collective bargaining. Customary practices are evolving procedures to extend the area of collective bargaining. Collective bargaining has been giving official sanction to trade experiences and agreements.

Collective bargaining, thus, covers the negotiation, administration, interpretation, application and enforcement of written agreement between employers and unions representing their employees setting forth joint understanding, as to policies and procedures governing wages, rates of pay, hours of work and other conditions of employment.

Collective Bargaining in the Post- Independence Period:

Before Independence, the collective bargaining as it was known and practised was virtually unknown in India. It was accepted, as a matter of principle, for usage in union management relations by the state.

Though it was emphasised in the First Five Year Plan that the State would encourage mutual settlement, collective bargaining and voluntary arbitration; to the utmost extent and thereby reduce number of intervention of the state in union management relations.

However, because of the imperatives of political and economic factors, the State was not prepared to encourage voluntary arbitrations and negotiations and the resulting show of strength by the parties. The State, therefore, armed itself with the legal powers which enabled it to refer disputes to an arbitrator or an adjudicator if the two parties fail to reach a mutually acceptable agreement.

This move of compulsory arbitration and adjudication was opposed by several labour leaders because they believed that this would destroy the picture of industrial relations in India. Dr. V.V. Giri expressed his views on this point at the Indian Labour Conference in 1952, "Compulsory arbitration" he declared, "has cut at the very root of trade union organisation...If the workers find that their interests are best promoted only by combining, no greater urge is needed to forge a band of strength and unity among them. But compulsory arbitration sees to it that such a band is not forged... It stands there is a policeman looking out for signs of discontent, and at the slightest provocation, takes the parties to the court for a dose of costly and not wholly satisfactory justice."

Despite this controversy, collective bargaining was introduced in India for the first time in 1952, and it gradually gained importance in the following years. The information, however, on the growth of collective bargaining process is very meager, and the progress made in this respect has not been very conspicuous, though not negligible. The data released by the Labour Bureau show that the practice of determining the rates of wages and conditions of employment has spread to most of the major segments of the national economy.

A sample, study covering the period from 1956 to 1960 conducted by the Employer's Federation of India has revealed that collective bargaining agreements have been arrived in respect of disputes ranging from 32 to 49 percent. Most of the collective bargaining agreements have been entered into at plant level. In this connection, the National Commission on Labour has thrown ample light on the progress of collective agreement.

In its own words, "Most of the collective bargaining (agreements) has been at the plant level, though in important textile centres like Bombay and Ahmedabad industry level agreements have been (fairly) common... Such agreements are also to be found in the plantation industry in the South, and in Assam, and in the coal industry. Apart from these, in new industries—chemicals, petroleum, oil refining and distribution, aluminium and electrical equipment, automobile repairing—the arrangement for the settlement of disputes through voluntary agreements have become common in recent years. In the ports and docks, collective agreements have been the rule at individual centres. On certain matters affecting all the ports, all India agreements have been reached. In the banking industry, after the series of awards, employers and unions have, in recent years, come closer to reach collective agreements. In the Life Insurance Corporation (LIC) with the exception of the Employer's decision to introduce automation which has disturbed industrial harmony in some centres, there has been a fair measure of discussion across the table by the parties for the settlement of disputes."