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Industrial Relations in India: An Overview

IR is dynamic in nature. The nature of IR can be seen as an outcome of complex set of transactions among the major players such as the employers, the employees, the trade union, and the state in a given socio-economic context. In a sense, change in the nature of IR has become sine quo non with change in the socio-economic context of a country.

Keeping this fact in view, IR in India is presented under the following two sections:

1. IR during Pre- Independence
2. IR during Post-Independence

1. IR During Pre-Independence:

The structure of the colonial economy, the labour policies of colonial government, the ideological composition of the political leadership, the dynamics of political struggle for independence, all these shaped the colonial model of industrial relations in pre-independent India". Then even union movement was an important part of the independence movement.

However, the colonial dynamics of the union movement along with the aggressiveness of alien capital, the ambivalence of the native capital and the experience of the outside political leadership frustrated the process of building up of industrial relations institutions. Other factors like the ideology of Gandhian class harmony, late entry of leftists and the bourgeois character of congress also weakened the class approach to the Indian society and industrial conflict".

Till the Second World War, the attitude of the colonial government toward industrial relations was a passive regulator only. Because, it could provide, that too only after due pressure, the —um of protective and regulative legal framework for industrial relations Trade Union Act 1926 (TL A) Trade Disputes Act 1929 (TDA). It was the economic emergence of the Second World War that altered the colonial government's attitude on industrial relations.

The state intervention began in the form of introduction of several war time measures, viz. the Defense of India Rules (Rule 81- A), National Service (Technical Personnel) Ordinance, and the Essential Service (Maintenance) Ordinance. As such in a marked contrast to its earlier stance, the colonial government imposed extensive and pervasive controls on industrial relations by the closing years of its era-. Statutory regulation of industrial relations was on plank of its labour policy. The joint consultative institutions were established primarily to arrive at uniform and agreeable labour policy.

The salient features of the colonial model of IR can be summarized as close association between political and trade union movement, dominance of 'outsiders' in the union movement, state intervention and federal and tripartite consultations.

The eve of Independence witnessed several instances that served as threshold plank for IR during post Independence era. The prominent instances to mention are passing of Indian Trade Unions (Amendment) Act, 1947, Industrial Employment (Standing Orders) Act 1946, Bombay Industrial Relations Act, 1946, and Industrial Disputes Act, 1947 and split in AITUC and formation of INTUC.

2. IR During Post-Independence:

Though Independent India got an opportunity to restructure the industrial relations system the colonial model of IR remained in practice for sometimes due to various reasons like the social, political and economic implications of partition, social

tension, continuing industrial unrest, communist insurgency, conflict, and competition in the trade union movement. In the process of consultation and confrontation, gradually the structure of the industrial relations system (IRS) evolved.

State intervention in the IRS was a part of the interventionist approach to the management of industrial economy. Several considerations like unequal distribution of power in the labour market, neutrality of the state, incompatibility of free collective bargaining institution with economic planning etc. provided moral justification for retaining state intervention in the IRS. State intervention in the IRS is logical also when the state holds large stakes in the industrial sector of the economy.

However state intervention does not mean suppression of trade unions and collective bargaining institution. In fact, state intervention and collective bargaining were considered as complementary to each other. Gradually, various tripartite and bipartite institutions were introduced to supplement the state intervention in the IRS.

The tripartite process was considered as an important instrument of involving participation of pressure groups in the state managed system. Non formal ways were evolved to do what the formal system did not legislate, for one reason or other.

The political and economic forces in the mid 1960s aggravated industrial conflict and rendered non-formal system ineffective. In the process of reviewing the system, National Commission on Labour (NCL) was appointed in 1966.