

Course Name: Labour Welfare and Industrial Relations

Professor Name: Prof. Dr. Abraham Cyril Issac

Department Name: School of Business

Institute Name: Indian Institute of Technology Guwahati

Week – 01

Lecture – 05

Lec 5: Salient features of IR in India

Hello, learners. Welcome back to the course on labor welfare and industrial relations. Today, we move to the last lecture of the first module where we look into salient features of IR in India. So we try to summarize industrial relations across different stakeholders in the first few lectures. Today, we'll try to look into the salient features of industrial relations in India.

I am Dr. Abraham Cyril Issac. I'm an assistant professor at the School of Business, Indian Institute of Technology, Guwahati. Now, when we look into industrial relations, we have seen the background, how it evolved, what were the significant players, how employees, employers emerged as a significant players, how other stakeholders like the government emerged. Also came into picture how trade unions came into picture, how employers federation came into picture. Today, we'll try to scan and summarize on the wave of industrial relations.

What are the salient features associated to the IR, especially industrial relations in India? So when you look into the wave of industrial relations development in India, specifically the development of industrial relations or IR has passed through certain distinct stages. Specifically, if you recollect our discussions in lecture one, we have we have talked about the evolution of IR in India. So prior to the first world war, if you look into the relationship between employers and employees specifically, the nature was more of a

master and servants. Please do understand, we were living in a different era altogether that time.

It was pre-independence. There was no sense of belonging. There was no sense of ownership. And moreover, there was this association of looking into things as a master and slave.

There was no actual stake or authority, even if we look into or go through the approach of Mahatma Gandhi's trusteeship model, there was no trusteeship or there was no stake for the employee in the whole scheme of things. But this was the initial point where the relationship was exploited totally. There were more of cases of exploitation. Child labor was in great numbers.

So all these aspects actually could be understood as the background of the entire industrial or the wave of industrial relations in India. When you look into some of the other features of industrial relations during the period from the end of the First World War to the independence of the country, we see the first and the foremost thing, which is strengthening of the trade union movement. We understood the significance of or the relevance of trade union. And we also try to see the salient feature of that as strengthening of the trade union movement, active involvement of eminent nationalists and other leaders in the movement. So this is again something that relates to the sense of ownership.

When you are treated as slaves in our own country, there will be a sense of ownership that will make more and more of nationalists to come together. And this is how we saw the strengthening of the trade union movement, especially when a lot of a lot of women and nationalists jumped into the ship. The second was violence. Categorically, the appointment of commissions and committees at intervals for deliberating on specific areas of labor issues. So it was not a one step solution that some nationalists came together and the trade union was strengthened.

And that's how we could achieve everything. There are also some some systematic attempts. of making or appointing commissions and committees which actually studied the conditions of the worker, the conditions of the workplace, what were the different

problems that were faced by the employees, what were the exploitation that was happening or what were the problems that actually they were facing. So these commissions and committees essentially initiated the study or the observation towards the problems of the employee or the have-nots. So this is where we see the initial development of IR in India.

The wave of industrial development, if you go further, the main features of industrial relations, specifically post-independence period, have been the formation and strengthening of both workers and employers organization at various level. Please recollect lecture number three for workers organizations and lecture number four for employers organization where we had discussed in depth what was or what contributed to the formation and strengthening of both these entities. We also see that during the post-independence era, general freedom of the parties to resolve their disputes by negotiations and availability of the services of conciliation officers was also significant during the period. We also understand and acknowledge the imposition of legal restrictions on strikes and lockouts, especially in public utility and essential services.

So when the disputes were getting out of hand. When the employees were, though they were seeing the exploitation and they had a reason to go out for the strike and lockout, especially in essential services, when the government or when the authority understood that it is affecting a larger party, it is affecting the larger number of people, they had their own crackdown mechanisms. Please recollect things like ESMA. that have actually looked into such situations and tried to put a control, put a full stop on such problems and such aspects. So this was again another important feature of the industrial relations or the wave of industrial relations development in India.

If you look into another factor, the provision of machinery is under law to prevent industrial disputes from arising was also a critical factor. There were more stakeholders that there that were coming to picture to actually prevent industrial dispute experimentation with specific schemes of workers participation. In management at intervals, if you recollect what we have discussed again, as I've already mentioned, this lecture would be an assimilation of what you have, what you heard or read or understood in the first few lectures. So when you are looking into the workers participation, there

were certain schemes that were rolled out as an experimentation. to see the effectiveness of such schemes and how the employees actually perform on basis of those schemes.

Another important feature would be the enlargement of tripartite deliberations at various levels. So you see that the stakeholders immersed initially from dyadic, to a triadic aspect. So this is where the significant deliberation happened. These are such situations whereby the whole industrial relations evolved in a way that any solution, any problem would essentially have a solution provided there are enough deliberations and discussions happening.

So this is the background whereby important stakeholders like trade unions and associations for the employers, federation for employers, the government, all these stakeholders coming together, if they deliberate and discuss, the issue could be more or less solved. So this was one of the very critical factors which determined the wave of industrial relations in India. When we further travel through the salient feature of industrial relations in India, we see that the main parties of industrial relations, the workers, as I already mentioned, their organizations, employers and their representatives are free to enter into mutual agreements. So this gave a head start to all the mutually agreed cooperation and all the initiatives to strengthen the workforce.

of the whole organization and its productivity. Most of the collective agreements in the country are contracted at the level of establishment of this undertaking and this is done by ensuring the legal enforceability. When you look into the government, The government has provided a network of conciliation and adjudication machinery specifically.

So all the attempts to solve or resolve conflicts mainly with the use of machineries of conciliation under law for the settlement of industrial disputes is also enshrined as one of the salient feature of the industrial relations in India. The parties are generally free to utilize the services of the conciliation authorities, which makes it equally accessible. I would like to stress the point, which makes it equally accessible to every single individual, irrespective of their position within the organization. So considerable restrictions are there, no doubt about it. Considerable restrictions have been imposed under law on workers going on strike and employers declaring lockout.

So this was again pertaining to the benefit for the larger good or the benefit for the greater good. So when you are looking into strikes or lockouts, definitely there would be some rationale some reason that the affected party is giving in there is no doubt about it but that said the whole point should be considered on the basis of a larger good or a greater good and this is where or this is yet another significant salient feature of the wave of industrial relations that has happened post independence the government specifically has set up certain tripartite bodies to enable Parties to arrive at unanimous decisions in industrial relations issues, something like Indian Labour Conference and Standing Labour Committee. These are such initiatives whereby we do not want a conflict to carry forward for a larger period of time, creating detrimental situations both for the organization as well as the country and the individuals or the employees.

So the government specifically tried to bring in certain bodies, parties like Indian Labour Conference or Standing Labour Committee etc to bring out unanimous decisions in industrial relations issues now quite a few labor laws in the country actually underscores the relevance of legal legislations or the role the categorical role of the government of India by bringing out the Employee State Insurance Act the minimum wages Act And the Employees Provident Funds and Miscellaneous Provisions Act have provided for the association of representatives of workers and employers in their enforcement. So these are some of the peripheral examples the government has done a lot for being the party and bringing out some of the very critical salient features of industrial relations in India. Now, whatever said and done, there are still certain labor reform debate that is going on.

When you have an involvement of a third party, when you have an involvement, let's say there is an organization, you have two significant stakeholders, A and B, there is an involvement of C. Essentially, that would have happened because there is a conflict between A and B. But whenever there is an involvement of a third party, it might be independent, it might not be independent, whatever said and done, there are always two faces of that argument. So this is where the labor reform debate starts. This is where the labor reform debate has the root cause on or the root in. So first and the foremost one is excessive state intervention in industrial matters. So as exactly as I've told, there is a third party involvement.

The involvement initially happened because there was conflict. Had there not been a conflict initially, the third party involvement would not have happened in the first place but excessive state intervention in industrial matters happens to be a consequence or at least an unfortunate consequence of this particular labor reform debate if you look into the excessive state intervention in industrial matters the argument related to that would be the labor system lacks legitimacy as it is highly vulnerable to political maneuvering so Mostly, if you see the industrial relations pertains to masses, industrial relations pertains to employees. They play a very, very significant role.

So there are chances that political maneuvers or political entities would try to exploit the situation by making use of this, the strength of the masses and by bringing in, you know, benefit towards them. or benefit for them. So excessive state intervention essentially has been observed but more than that it is because of this political maneuvering and political profiting within the scheme of things. Another important aspect could be emphasis on employment security at the cost of flexibility and global competitiveness. While there is a widespread consensus that existing labour laws pose challenges

employers have devised dubious methods to bypass these regulations so basically when you look into the employers point of view they are more concerned with the profit maximization they are more concerned with increasing the productivity of the company or the organization thereby increasing the profit margin the revenue and thereby the profit margin but that debate is will not end in favor of the employee for the simple reason that whatever justification is given for a bad working condition whatever justification is given for lack of proper facilities and amenities in the workspace all this will not pertain to something called as increase in productivity they will not simply accept they will not simply accept the increase revenue or increase in productivity because The employees see themselves as a significant contributor, significant stakeholder in the entire scheme of things. So this is where the labor reform debate takes another angle whereby the emphasis is on employment security at the cost of flexibility and global competitiveness. When you look into the urgent challenges to the Indian industrial system, we see that the industrial relations is mainly in the informal economy.

Now this is very significant, how to provide the unorganized workforce with the employment security and social protection services such as welfare, healthcare, banking, insurance, childcare and pension. So this happens to be the first and in fact the biggest challenge the country is facing today. Whenever we are talking about industrial relations, all our significant efforts have been directed to formal channel of employment. There is a larger, a majority, lion's share of the workforce which works in informal sector. What can be done in terms of the informal workforce to bring them and make them part of the economy?

So this is the biggest challenge the industrial relations are facing right now. Because there are a lot of people who are in the informal workforce. How can welfare reach them? How can healthcare reach them? How can banking reach them?

How can insurance reach them? How can childcare reach them? How can social security schemes like pension reach them? So this is the significant, in fact, the most challenging challenge the industrial relations of the country is facing today. Now, yet again, another important factor will definitely come up.

Women workers, women workers and the industrial relations framework is also a bit skeptical. The prevailing industrial and masculine culture within the Indian labor movement has often resulted in the disregard and lack of recognition of women as workers. or individuals interested in participating in union activities. So if you see, these two essentially are still critical factors when it comes to the Indian industrial system. And this happened to be, this stays out as the urgent challenges to the Indian industrial system.

So when you look into the industrial relations over this entire set of module, I would like to conclude this module by stating one thing. We observe the development of industrial relations through the eyes of employees, through the eyes of employers and in a later stage through the eyes of government. But all these eyes should focus on one thing that there are certain challenges still looming largely within the workforce and the first and the foremost one as we discussed just now is the informal workforce how different aspects or benefits what the formal sector is enjoying would reach the informal sector

categorically it could be banking it could be pension all those aspects insurance health care all those aspects how will it reach the informal sector.

How will the women fare in the industrial relations. Because most of it. Most of the industrial relations movement. As we have just seen. Is more masculine nature.

So please understand. Industrial relations. The travel has been beautiful. But there are more things to be achieved. And this is what makes industrial relations challenging and also interesting. On that note, I'll end the class today. We'll look into another module on some other day. Till then, take care. Bye-bye.

All the best.