Indian Economy in Transition and Role of Industrial Disputes

* Soumita Chakraborty

Abstract

It is well established that trade unions become an organization to safeguard the interests of the working class, and it also appears while strikes are the weapons in the hands of the working class, lockouts are that of the employers. Since the 1991 economic reforms, the status of labor and labor unions displayed a weakening trend in India. The objective of this paper was to find out the impact of industrial disputes in the manufacturing sector in India during the period from 1971-2011. The number of strikes by laborers started to diminish recently, but the number of lockouts has not decreased accordingly. Therefore, this study investigated whether the trade union movement in India is gradually becoming weaker with rising incidence of lockouts over strikes. It established the pre-dominance of lockouts as the major component affecting industrial relations. Although the number of workers involved in lockouts was relatively less than those involved in strikes, the duration of lockouts being much higher, the total number of mandays lost due to lockouts still continued to be much larger. This explains the higher social intensity of lockouts over strikes in the industrial sector in India. Hence, some steps need to be taken on an urgent basis for maintaining harmonious industrial relations in the manufacturing sector. A healthy labour policy need to take into account issues like skill development and other social measures to make them competitive in a healthy and workers' friendly environment.

Keywords: trade unions, strikes, lockouts, collective bargaining, industrial relations

JEL Classification: J51, J52, J53

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In India, post-1991 economic reforms, advocating market liberalization and a larger role for private enterprise, have been evolutionary and incremental in nature. There have been delays and reverses in some areas due to the interplay of democratic politics, coalition governments, and pressure groups with vested interests. It is well known that from 1951 to 1991, Indian policy-makers stuck to a path of centralized economic planning accompanied by extensive regulatory controls over the economy. The strategy was based on an 'inward-looking import substitution' model of development. India's economy went through several episodes of economic liberalization in the 1970s and the 1980s. However, these attempts at economic liberalization were halfhearted, self-contradictory, and often self-reversing in parts. In contrast, the economic reforms launched in the 1990s (by Prime Minister P V Narasimha Rao and Dr. Manmohan Singh as his Finance Minister) were 'much wider and deeper' and decidedly marked a 'U-turn' in the direction of economic policy followed by India during the last forty years of centralized economic planning.

Consistent with the spirit of the market-oriented and private sector-led economic reforms launched since 1991, the government has reoriented the role of planning in India. It has been recognized that market forces and the state should be given roles that play to their comparative advantages and that they should work together as partners in the economic development of the nation. While private initiative should be encouraged in most areas of business

^{*}Assistant Professor, Department of Economics, Dev Samaj College for Women, Sector 45B, Chandigarh, E-mail: soumi 29@rediffmail.com

activities, the state should increasingly play a pro-active role in areas in which the private sector is either unwilling to act or is incapable of regulating itself in the social interest. The areas in which the state has a comparative advantage over the private sector include poverty alleviation programs, human resource development, provision of social services such as primary health and primary education, and similar activities categorized as building human capital and social infrastructure.

Economic liberalization in the organized manufacturing sector (subjected to rigid labor laws for retrenchment) has led to growth with very little additional employment. This is creating serious social unrest and fertile ground for labour disputes in India. Market-based economic reforms also often lead to increasing disparities between the rich and the poor and between the employers and employees as is evident from the decreasing wage share of the workers in value added in Indian manufacturing sector (Chakraborty, 2014). The power of employees and labor unions in India seems to move with the employment rate changes. At times of increasing employment, the number of labor unions, labor disputes and dispute participant increases and at time of decreasing employment, the number appears to decrease.

Historically, the strike has been the weapon of the manual workers in attempt to be resorted to for asserting their bargaining power and for dealing the issues of their collective demands with an unwilling employer. On the other hand the essence of lockouts is the refusal of the employer to employ workforce. Therefore, the incidence of strikes over lockouts exhibits the relative strength of the working class in the struggle with the capitalists.

As not many adequate studies can be found that can empirically determine the relative influence of strikes over lock outs in India, the present paper aims to fill this gap by analyzing the role of trade unions in relation to industrial conflicts in organized manufacturing sector in India during 1971-2011.

Survey of Recent Selected Literature

A brief review of the selected literature focusing the nature of industrial conflict mainly, strikes and lockouts in India and other countries is presented in this section for the purpose of our study.

Jacob (2002) conducted a study on Industrial Relations in Public Sector in Kerala which reveals that the bargaining power of workers in the public sector is very high and they become members of unions with a view to getting adequate protection from the hands of the management. Kuruvilla et al. (2002) examine trends in union density and union influence in several Asian countries and find variation in union density with all countries experiencing union decline in the 1990s. Giri and Das(2003) have found that trade unions in the organized sector in Orissa are losing their importance and the future appears to be uncertain. The industrial relations practice in Orissa is at the crossroads and they conclude that this scenario of industrial relations in the State is not likely to change in the near future.

Jyoti and Sidhu (2003) who conducted a study on the textile workers in Panjab and argue that threat and aggression of management are the most significant factor with maximum percentage of variance which restrains workers from going on strike. According to the study carried out by Raj(2003) reveals that in the wake of economic liberalization sweeping across the world economies, the concept and nature of industrial relations are also undergoing a change. It analyses various aspects of industrial relations with particular emphasis on trade unions, industrial disputes, collective bargaining, grievance management, workers participation, labour legislations and social security schemes.

Hodgkinson and Perera (2004) examining the Australian labour market show that the shifts in patterns of industrial conflict, established by the move to bargaining are reinforced by diminished employee power and changed approaches by some employers. Rai (2004), after reviewing the existing literature suggests that employees in unionized workplaces have significantly more voice mechanisms present than in non-unionized workplaces. Presence of a powerful collective bargaining machinery and proactive communication between the management and the unions not only minimizes the grievances but also promotes healthy industrial relations.

Bhattacharjea (2006) presents an empirical study on labour regulation and industrial performance in India. Perry's(2006) study compares the rise in lockouts relative to strikes in India and Australia and also the overall pattern of industrial disputes in the .two countries. Though, there are no similarities in the frequency of disputes and the average duration, with major differences in labour markets and general economies, the similarities include the relative intensity and importance of lockouts. In another study, Bhattacharjea (2009) focuses only on the impact of legal restrictions on temporary layoff, permanent retrenchment and plant closures and describes in detail the variability of employment protection regimes across Indian states attributable to court judgments. Mauleon et. al.(2010), consider a model of wage determination with private information in a duopoly and investigate the effects of unions having relative concerns on the negotiated wage and the strike activity. The paper shows that an increase of unions' relative concerns has an ambiguous effect on the strike activity.

Bhat and Swami(2014) wanted to find out the trend of industrial conflicts in India due to changes in structural composition after economic reforms in 1991. The study primarily based upon secondary data, found that number of work disputes, mandays lost, and workers' involvement in disputes showed a gradual decline over the period of time. Production losses due to disputes were higher in the private sector than in the public sector. The study revealed that economic reforms have shifted the power in the hands of the employees. Recently, Shyam Sundar (2015) using both official data and qualitative information examines the features of industrial conflict in India. According to his study, the reform measures were in some cases successfully opposed by trade unions, and in some cases they also led to aggressive labour market practices by employers. This has resulted in tensions, work stoppages, and even violence. Even unorganized workers have participated in these agitations in a big way.

The review of selected literature has pointed out that the strikes which are known as the weapon of workers against the oppression of the employers is declining in India after the initiation of economic reform process. This indicates that the bargaining power is tilting in favour of the capitalists at least in case of India.

Objective and Scope of the Study

The purpose of this study is to find out the significance of the industrial disputes in Indian manufacturing sector during the period 1971-2011, in the context of economic transition that is taking place in India especially after 1991. The declining wage share in value-added ratio in the organized manufacturing sector in India demands not only the analysis of the role of the trade unions in the collective bargaining process but it necessitates the study of industrial relations in India also. For this purpose the present analysis attempts to compare the relative influences of strikes and lockouts in the organized manufacturing sector in India.

It is well established that trade unions become an organization to safe guard the interests of the working class and it also appears that while strikes are the weapons in the hands of the workers lockouts are that of the employers. In this context, the study investigates whether the trade union movement in India is gradually becoming weaker especially during the post reform years, with rising incidence of lockouts over strikes. Not many studies are available, at least to the best of the knowledge of the present researcher, which can empirically establish the importance of lockouts over strikes and thereby indicating the declining bargaining power of the working class. The present paper tries to fill this gap by examining the role of the trade unions in this context.

Data, Sources, and Methodology

We have collected the data for number of trade unions (both registered and submitting returns) and the data of the membership of the workers' unions submitting returns at the end of the year for the years under consideration at all India level. The data for industrial disputes (resulting in work stoppages involving 10 workers or more) including number of disputes, numbers of workers involved, number of mandays lost and also the division of disputes by causes are collected at all India level for the study period. The sources of the data are publications from Labour

Table 1. Trade Union Membership in India

| Year | No. of Registered Trade Unions | Total Membership('000) | Average Membership of Trade Unions |
|------|--------------------------------|------------------------|------------------------------------|
| 1971 | 9029 | 5470 | 606 |
| 1981 | 6682 | 5010 | 808 |
| 1991 | 8418 | 6100 | 725 |
| 2001 | 6624 | 5873 | 899 |
| 2011 | 10264 | 7421 | 723 |

Source: Labour Bureau, Ministry of Labour, Govt. of India

Bureau, Ministry of Labour.

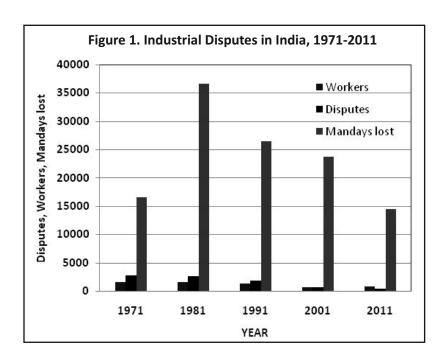
We have examined the secondary data to discuss the trend of trade union movement in organized manufacturing sector in India during the period 1971-2011. To find out the trend of industrial disputes in India first we have carried out a combined effect analysis to determine the nature of industrial relations in India in New Economic Policy era. There are three measures to estimate the intensity of the conflict. They are Dispute Concentration Ratio (DCR), Time Loss Ratio (TLR), and Duration of Disputes (DD) which are estimated for above mentioned years. Further, the causes of disputes are being analyzed to get an idea about the main reason of industrial conflict especially during the transition period. Lastly, a comparative study of strike vis-a-vis lock out is carried out to focus their relative impact in Indian manufacturing sector during the period under consideration.

Analysis, Results, and Discussion

This section investigates the changing role of trade unions in the post reform period in India. From Table-1, it appears that in India, the number of registered trade unions has been declining till 2001, though the decline was not steady. But during the last decade (2001-2011), there is an upsurge in the number of trade unions for the organized sector in India. But as far as the average membership of trade unions are concerned, during the period 2001-11, there is a sharp decrease in the average membership. The fall in the number of average membership reveals that at least in case of organized manufacturing sector in India, the labour unions are constantly losing their significance. Though labour unions are regarded as the safe custodian of the workers' interests, in India these unions had been organized primarily for political purposes. In the major union's case, it is affiliated with political parties especially if it is at the state level, it is nearly impossible for labor unions to form coalitions and this led to segmentation of labor unions. This implies that first, the mutual solidarity among labor unions is weak and second, the weak labor unions are unable to support the increasing number of union members. Moreover the Indian government has weakened the power of labor unions by implementing pro-business policies and institutions. For example, the labor union law that was revised in 2001 had made it difficult to register a new trade union as is evident from Table 1.

Strong responses from firms were another contribution to the weakening of labor unions. The number of strikes by laborers has started to diminish recently but the number of lockouts is not decreasing accordingly. We could add to this the situation where strikes declined rapidly after the reform in the 1990s and that labor unions have a fear of employers imposing lockouts. Firms also have implemented a variety of institutions namely voluntary retirement, incentive systems, contractual employees and outsourcing. This can also be a possible explanation of the declining bargaining power of the trade unions as a representative of the working class.

Our next task is to assess the significance of industrial disputes in manufacturing sector of India during 1971-2011 and point out the significant differences in the nature of disputes in pre and post reform years. A comparative static analysis is carried out to find out the relative intensity of lockouts over strikes in industrial sector. The findings of our study are discussed under separate sub sections as follows:



(1) Trends of Industrial Disputes in India: This sub section tries to examine the effect of industrial disputes in Indian industrial sector during the study period. The Figure 1 presents the movements of the variables related with the incidence of industrial disputes in the Indian manufacturing sector in general.

The data (appendix, Table-A.1) reveals that after 1991, number of industrial disputes has decreased considerably along with the decline in workers involved. Mandays lost due to disputes also shows a decreasing tendency during this period. Therefore, with the introduction of economic reforms in India in July, 1991 a declining tendency is observed in all the three indicators measuring the incidence of industrial disputes in the organized manufacturing sector.

(2) Combined Effect Analysis: There are three measures to estimate the intensity of the industrial conflict. They are Dispute Concentration Ratio (DCR), Time Loss Ratio (TLR) and Duration of Disputes (DD). The estimated results of the above three variables during the period 1971-2011 is presented in Table 2. Among the three criteria, the Dispute Coverage ratio (DCR) shows considerable rise in 2011 over 1971. It maintains a consistent rising trend during the study period. It is explicit from the above table that the Time Loss Ratio (TLR) registers a remarkable increase during the study period. The duration of disputes also increases after some fluctuations during the same period.

From Table 2, one common feature can be pointed out easily. Both DCR and TLR follow impressive growth trend. Therefore it can be argued that there is considerable increase in the number of workers involved in disputes during the study period. On the other hand, the loss of mandays per worker also increases reflecting adverse effect on production as well as on the loss of wages on the part of the workers. It is evident that although the number of disputes is declining, its intensity is rising over the years.

(3) Causes of Industrial Disputes: This sub section explores different causes behind the industrial disputes. Causes for industrial unrest have shown some changes over the recent years. Wages and allowances still continue to be one of the most important determinants of labour management disputes in India. But the incidence of industrial disputes due to wages and allowances show a declining movement after 1991. The importance of personnel and retrenchment, leave and hours of work as causes of disputes also decline in the recent years while

Table 2. Intensity of Disputes, 1971-2011

| Year | DCR | TLR | DD |
|------|-------|----------|-------|
| 1971 | 586.9 | 6012.2 | 10.2 |
| 1981 | 613.4 | 14130.4 | 23.0 |
| 1991 | 741.4 | 14601.2 | 19.7 |
| 2001 | 991.1 | 35,262.6 | 34.55 |
| 2011 | 1017 | 46,464 | 46 |

Source: Compiled and Computed from Government of India, Ministry of Labour, Industrial disputes in India (2012) and earlier issues.

Note: DCR = W/D- Average number of workers involved per dispute; TLR = M/D - Mandays lost per dispute; DD= M/W - Mandays lost per worker.

Table 3. Percentage Distribution of Industrial Disputes by Causes, 1971-2011

| | 1971 | 1981 | 1991 | 2001 | 2011 |
|------------------------------|------|------|------|------|------|
| i)Wages and Allowance | 34 | 28.1 | 24 | 26.9 | 24.9 |
| ii)Bonus | 13.9 | 8 | 3.9 | 8.6 | 6.66 |
| iii)Personnel | 17.3 | 17.6 | 14.9 | 12 | 14.8 |
| iv)Retrenchment | 5.4 | 3.6 | 2.2 | 1.5 | 0.73 |
| v)Leave/Hrs of work | 1.4 | 1.7 | 0.99 | 0.2 | 20 |
| vi)Indiscipline and Violence | 3.5 | 9.4 | 18.5 | 25.8 | 30 |
| vii) Others | 23.4 | 26.3 | 33.4 | 6.8 | 24 |
| viii)Not known | 1.1 | 5.3 | 2.1 | 12.2 | 4.5 |

Source: Labour Bureau Statistics, Govt. of India

the work stoppages due to indiscipline and violence registers a remarkable increase during the post reform period. The percentage distribution of the causes of industrial disputes is presented in Table 3. The table reveals that besides Wages and Allowances, Indiscipline and Violence are emerging as other important causes of work stoppage. The percentage of Indiscipline and Violence shows a rise by 30% in 2011 as against 3.5% in 1971 (Table 3).

It can be mentioned that, the industrial conflict arising out of indiscipline and violence by a group of employees often leads to lockouts- the weapon of the employers, severely affecting the interests of the working class.

(4) Impact of Strikes and Lockouts – A Comparative Study: After analyzing the combined effects of strikes and lockouts, it is imperative on the part of the researcher to focus on the comparative intensity of the two common forms of dispute- strikes and lockouts. It will be interesting to have a strikes and lockout wise analysis of the role of industrial dispute in India during the period under consideration, presented in Figure 2. The Figure 2 reveals the influences of strikes and lockouts in the organized manufacturing sector in India with respect to three related variables namely, the number of disputes, mandays lost and workers involved for strikes and lockouts respectively.

The intensity of a strike or a lockout can be judged by the numbers of workers involved, the duration of a strike or lockout and the number of mandays lost per dispute in a strike or lockout. Table 4 presents the number of workers involved per dispute in strike/lockout, average number of days a worker is involved in strike/lockout and number of mandays lost per dispute in strike/lockout. On the other hand, Table 5 shows the social and individual intensity indices of both strikes and lockouts.

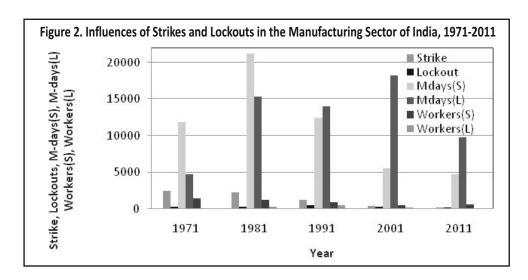


Table 4. Strike and Lockout Wise Classification of Workers

| | No. of Workers involved per dispute in | | Average No. of days a worker is involved in | | No. of Mandays lost per dispute in | |
|------|---|---------|---|---------|---------------------------------------|---------|
| Year | Strike | Lockout | Strike | Lockout | Strike | Lockout |
| 1971 | 576 | 507 | 8 | 34.1 | 4746 | 17310 |
| 1981 | 562 | 951 | 16.8 | 47 | 9447 | 44695 |
| 1991 | 682 | 883 | 14.3 | 29.8 | 9725 | 26316 |
| 2001 | 1314 | 658.9 | 11.38 | 91.48 | 14,954 | 60,278 |
| 2011 | 3601.3 | 471.92 | 7.29 | 108.29 | 26,239 | 51,106 |

Source: Various Labour Year Books, Ministry of Labour, Govt. of India

From Table 4, it is clear that the average number of days a worker was involved in strike is declining during the post reform period whereas the duration of a worker involved in lockout has risen significantly over the years. As far as lockouts are concerned, there has been a consistent and continuous increase in the duration of involvement of the workers- the average duration which was rising sharply especially after the announcement of New Economic Policy in 1991.

But a more reliable index of intensity of industrial disputes is the number of mandays lost per dispute. As is evident from the table, number of mandays lost per lockout shows an increasing trend during the study period. Though the mandays lost due to lockout falls in the year 2011, it is much higher compared to the pre liberalization period.

From the Table 5, it follows that at the beginning of the study period the social intensity of lockouts was more than thrice (3.6) that of strikes. It is observed that the social intensity index is highest during 2001(4.03) but it declined to the lowest level in 2011(1.95). This indicates that relative loss of mandays due to lockouts was much higher which causes loss of production to the society and hardship to labourers.

Another angle from which lockouts and strikes need to be analysed is Individual intensity, which is measured by the average number of days a worker was involved in a strike/lockout. In both the cases, the longer the duration, the greater is the hardship of the working class. Relative Individual Intensity index (RII) shows a consistent rate of growth during the study period. The explanation lies with the fact that due to shift in the attitude of the state, labour was hesitant to go in for strikes and since employers could subdue labour without resort to lockouts, there was an overall decline in mandays lost due to both strikes and lockouts.

Hence, the analysis both in terms of relative social intensity (RSI) and relative individual intensity (RII)

Table 5. Intensity of Lockouts over Strikes, 1971-2011

| Year | Relative Social Intensity | Relative Individual intensity |
|------|---------------------------|-------------------------------|
| 1971 | 3.6 | 4.3 |
| 1981 | 4.7 | 2.8 |
| 1991 | 2.7 | 2.1 |
| 2001 | 4.03 | 8.04 |
| 2011 | 1.95 | 14.85 |

reveals that lockouts have been more dominant in determining industrial relations than strikes. Before 1980s, lockouts were used as a powerful response to counter the rising phenomenon of strikes in Indian industrial sector. This was strengthened by a change in the social attitude of the state tilting in favour of the employers after 1980s and strengthened further by the forces of liberalization in 1990s.

Thus the magnitude and intensity of strikes and lockouts reveals that lockouts are much more severe in intensity and can appropriately be described as an instrument of punishment or repression of the working class. It establishes the pre-dominance of lockouts as the major component affecting industrial relations in India. Although the number of workers involved in lockouts was relatively less than those involved in strikes, the duration of lockouts being much higher, total number of mandays lost due to lockouts still continued to be much larger. This explains the higher social intensity of lockouts over strikes.

The declining role of the trade unions in India representing the workforce as pointed out by the current study is also supported by some earlier studies, Bhattacherjee (2002), pointing out that even though union density is very low by international standards, India loses more days every year as a result of strikes and lockouts than almost any other country which raises the classic question of union weakness. According to some researchers (Sen Gupta & Sett, 2000) union density data for India have not fallen consistently over the last couple of decades unlike the Australian data (Perry, 2006). But regarding the relative rise in lockouts, most commentators argue that this contributes to a gradual change in the balance of power away from employees and trade unions towards employers and management.

Similar explanation is given by Dutt (2003) regarding the continued rise in the relative importance of lockouts, which can be linked to the gradual movement towards market liberalizing policies - particularly during the mid 1980s and even more so with the reforms of 1991. And although labour market legislative change has been minimal, the cumulative effect of both state and central government discretionary rulings in conjunction with a number of judicial rulings have the effect of further strengthening the hand of capital against the workers. The results obtained from our study is also supported by Bhatt and Swami (2014) as well as Shyam Sundar (2015).

According to them, the processes of liberalization, globalization, and privatization were expected to weaken the bargaining power of workers vis-à-vis employers and lead to a reduction in the number and frequency of industrial conflicts. The numbers of workers involved in strikes were more than the number of workers involved in lockouts; also, the mandays lost in lockouts were more than the mandays lost in strikes. On the other hand, indiscipline and violence were found to be the significant causes of industrial disputes during the post reform years which are in complete tandem with the results of our study.

Policy Implications

An effective industrial relations system requires a healthy labour-management relations policy in India. Without this, productivity and growth of the economy is immensely affected. The study reveals that In India the lack of coordination between employers and workers leads to the exploitation of the working class in the hands of the capitalists leading to mass poverty and inequality in the distribution of income. The following are some of the policy implications of the study:

- (1) Employment and job security and increased employment opportunities.
- (2) Raising living standards through improved terms and conditions of employment.
- (3) Productivity improvement of the workers through skill development to make them more competitive so that they have the flexibility to manage themselves in a rapidly changing global manufacturing environment.
- **(4)** Minimizing conflict, achieving harmonious relations, resolving conflicts through peaceful means and establishing stable social relationships.
- **(5)** A healthy labour policy includes not only economic development measured in terms of growth rates and per capita incomes, but also equity in terms of income distribution and employment opportunities, access to health care facilities, life expectancy, population growth rates, literacy, poverty alleviation etc. to realize the demographic potential of the country.
- (6) Positive trade unionism should be encouraged as a major catalyst in the growth process.
- (7) Government needs to simplify and rationalize procedures pertaining to labour laws and their enforcement which should bring relief to the industry without hampering labour interest.

The primary objective of industrial relations is to maintain and develop good and healthy relations between employees and employers. A facilitative labour environment, a healthy industry-worker relationship is of paramount importance for increasing productivity and competitiveness by catalyzing investment, growth and employment. These can be achieved by providing an opportunity to the workers to participate in management and decision making process and nursing industrial democracy based on labour partnership in sharing of profits and of managerial decisions.

Conclusion

From the current study it is evident that since the 1991 economic reform, the status of labor and labor union displayed a weakening trend in organized manufacturing sector in India. Especially the BJP government, with its pro-business character, ceased to create new employment in the public sector and began restructuring by voluntary retirement so employment fell and thus the influence of labor unions and laborers declined. In the 2000s, as a consequence of the increase in employment led by the private sector, the number of unions and laborers rapidly increased but the number of labor disputes decreased, leading to stable shape of industrial relations. It is also clear from the above discussion that the intensity of lockouts compared to strikes in manufacturing sector in India is increasing significantly after 1991 indicating the failure of the trade unions in restoring the interests of the workers mainly through the process of successful collective bargaining.

It can be argued that the phenomenon of growing lockouts is responsible for the increasing hardship of the working class. This phenomenon can be associated with the declining wage share of the workers in the value-added ratio (Chakraborty, 2014). The explanation can be forwarded in the following manner:

- (1) As a notice for strike is given, the employers pre-empt it by declaring a lockout. Hence the employers are not required to pay any compensation in a lockout, while they have to pay compensation in a legal strike. Lockouts are resorted to as a measure of non-acceptance of demands of workers. Managements indulge in openly flouting the State governments because there is a penalty or fine only and no imprisonment of any employer has taken place.
- (2) Instead of declaring a lay-off, employers declare a lockout because in lay-off compensation has to be paid, but no compensation needs to be paid in lockout.

- (3) According to law, any threat to violence or even slightest pretext of violence provides the employers an excuse for a lockout.
- (4) The New Economic Policy which has shown excessive indulgence in favour of private sector has emboldened the employers to adopt a defiant attitude towards the state and then get away with the employers' militancy with impunity.

All these factors and the new economic environment generated during the eighties have conspired against the working classes and thus encouraged employers' militancy. Obviously, the time-loss due to lockouts could be explained by the initiative of the employers to come in terms with the management's charter of demands. The objective of the management is to reduce the component of labour consequent upon technological up gradation, to force workers to accept wage-cut or to forego demands for bonus or dearness allowance in view of uneconomic running or financial stringency faced by the management. As the loss of mandays is directly related with the loss of wages, then growing mandays lost per worker due to lockout compared to strike establishes that in Indian manufacturing sector the phenomenon of lockout stands as a powerful weapon in explaining falling share of wages in almost all of the manufacturing sectors.

New policies and institutions were implemented in many sectors after the economic reform in 1991, but there were still no significant changes in the labor market system. As for revision of policies and relevant law, labor happens to be the sector where the least progress has been made. Some steps need to be taken on an urgent basis for maintaining harmonious industrial relations in India.

Limitations of the Study and Scope for Further Research

The present study is carried out for the organized manufacturing sector of the country. But the unorganized sector which contributes a major chunk of the country's workforce is not included in this study. So there is a further scope of research to explore the conditions of the of those workers consisting of casual and contributing family members, self-employed persons and all other persons engaged in the informal, unincorporated private sectors in India.

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Appendix

Table A.1: Labour Disputes in India, 1971-2011.

| Year | Workers (in '000) | No. of Disputes | Mandays Lost |
|------|-------------------|-----------------|--------------|
| 1971 | 1615.14 | 2752 | 16546 |
| 1981 | 1588 | 2589 | 36584 |
| 1991 | 1342.02 | 1810 | 26428 |
| 2001 | 690 | 674 | 23767 |
| 2011 | 735 | 370 | 14458 |

Sources: Labour Bureau, Ministry of Labour, Govt. of India, various issues