



## INDUSTRIAL RELATIONS IN ORGANISED SECTOR IN INDIA POST-REFORM ANALYSIS

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### **Abstract**

*Ever since Government of India has intensified the neoliberal policy reforms since early 1990s, there had been a widespread unrest at the part of trade unions and working class across the country regarding the expected outcomes of these policies for the labour. Retrenchment, layoffs, lockouts, casualisation, informalisation of existing employment and social insecurity were some of the issues that vanished the leisure of working class. The studies conducted suggests that post-reform climate of industrial relations has moved in favour of management and employers that has been manifested in the steep fall in the incidence of strikes and conversely the corresponding steep rise in the Lockouts. The present paper attempts to transmit the effects of neoliberal policies on the industrial relations scenario in the organised public and private sector in India. Based on the official time series estimates (1981-2018), the study suggests that the post-reform industrial relations scenario has been dominated by the increased intensity of lockouts (both-individual & social) particularly in the private sector, reflecting unbridled employers' militancy. It is the private capital which is sole responsible for deterioration of the conditions of the working class.*

**Keywords:** *Industrial Dispute, Strikes, Lockout, Individual Intensity, Social Intensity.*

### **1. Introduction**

The neoliberal reforms defined as a blend of Liberalisation, Privatisation and Globalisation, were launched by Govt. of India in the early nineties with the expectations that these reforms would usher in a more competitive environment as also improve efficiency and the rate of economic growth. The economists differed widely on the likely impact of structural reforms. The optimists envisaged the replication of the East Asian miracle in India, while, the pessimists especially the working class and the trade unions vehemently opposed this radical policy shift largely because the LPG policies conveyed a message of Survival of Fittest in line with social Darwinism that only strong and worthy will survive in the market. The labour unions were apprehensive that these policies will give rise to unbridled employers' militancy and may lead to the in formalization, casualization and contractualization of employment without any social security safety nets, segmentation of workers' union with no commonality of interests and hence the weakening of the collective bargaining power of the unions.

### **2. Need and Objective of the Study**

The post-reform studies on the impact of the Indian Neoliberal Reforms on the industrial relations scenario reveals that these policies have given rise to the employers' militancy as the post reform period has witnessed a steep fall in the incidence of strikes and a corresponding faster rise in the lockouts. In the backdrop of this, to have a close examination of how the forces of liberalisation and globalisation have affected the industrial relations scenario in the country, it is pertinent to go through the analysis of industrial disputes in the Organised Sector i.e., public and the private sectors of the economy. On the basis of Official Time Series Data for the period 1981 to 2018, the study attempts to assess the effects of LPG policies on the industrial climate in the public and private sector of the Indian economy.



### 3. Industrial Relations in the Organised Sector

The aspect of industrial climate in the Organised Sector can be studied with the help of following parameters: -

- i) Relative share of Public and Private Sector in total number of disputes;
- ii) Proportion of workers involves in industrial disputes to total number of workers in the public and private sector;
- iii) Relative proportion of time loss in Public and Private sectors; and
- iv) Relative Intensity (Individual and Social) of disputes in these sectors.

Data pertaining to the number of disputes, number of workers involved and man-days lost on account of industrial conflicts in public and private sectors has been given in Table 3.1 and 3.2. It is evident from the table that for the entire period (1981 to 2018), the proportion of industrial conflicts has been significantly lower in the public sector sphere than the private sector. In majority of the years, the proportion of disputes in private sector was 4 to 10 times higher than in the public sector. In absolute terms in the reform period, however, there has been a decline in the proportion of disputes in both public and the private sector. The public sector witnessed a faster decline (76%) in all the disputes than the private sector (66%) over the pre-reform period.

In percentage terms, the average proportion of industrial disputes in the public sector declined from 30 percent in the pre-reform period to about 20 percent for the post-reform period, while that of private sector, it increased from 70 percent in the pre-reform period to about 82 percent per annum in the post-reform period. However, the incidence of industrial conflicts has mainly afflicted the private sector which has further increased in the post-reform period, but the proportion of workers involved in the industrial disputes has been significantly higher in the public sector (70 %) than the private sector (31 %) especially in the post-reform period. The growth of workers involved in industrial conflicts in the

**Table 3.1, Industrial Disputes (Strikes and Lockouts) in Public and Private Sector: 1981 to 2018**

Year	No. of Disputes (Strikes & Lockouts)			No. of Workers Involved (Lakh)			No of Man-days Lost (Lakh)		
	Public Sector	Private Sector	All Sectors	Public Sector	Private Sector	All Sectors	Public Sector	Private Sector	All Sectors
1981	707	1882	2589	7.0	8.9	15.9	100.7	265.2	365.8
1982	799	1684	2483	7.3	7.4	14.7	103.6	642.5	746.1
1983	884	1604	2488	7.6	7.0	14.6	44.5	424.1	468.6
1984	592	1502	2094	9.3	10.2	19.5	78.7	481.5	560.3
1985	401	1354	1755	3.9	6.9	10.8	32.0	260.4	292.4
1986	389	1503	1892	6.8	9.7	16.5	25.7	301.8	327.5
1987	442	1357	1799	10.0	7.7	17.7	52.4	301.2	353.6
1988	564	1181	1745	8.0	3.9	11.9	66.3	273.1	339.4
1989	615	1171	1786	9.2	4.5	13.6	57.0	269.2	326.3
1990	628	1197	1825	8.8	4.2	13.1	57.4	183.4	240.8
1991	653	1157	1810	7.9	5.5	13.4	41.4	222.8	264.3
1992	617	1097	1714	5.7	6.9	12.5	19.2	293.3	312.5



1993	359	1034	1393	5.7	3.9	9.5	22.9	180.1	203.0
1994	316	885	1201	5.2	3.2	8.5	13.2	196.7	209.9
1995	343	723	1066	7.3	2.6	9.9	47.9	115.0	162.9
1996	381	785	1166	6.1	3.3	9.4	31.5	171.3	202.8
1997	448	857	1305	6.2	3.6	9.8	21.8	148.5	170.3
1998	283	814	1097	9.0	3.9	12.9	75.8	144.8	220.6
1999	165	762	927	5.5	7.6	13.1	11.8	256.1	267.9
2000	125	646	771	11.5	2.7	14.2	106.8	180.8	287.6
2001	139	535	674	4.3	2.6	6.9	20.2	217.4	237.6
2002	63	516	579	3.5	7.3	10.8	8.0	257.8	265.8
2003	59	493	552	11.0	7.2	18.2	68.6	233.9	302.5
2004	49	428	477	15.9	4.8	20.7	18.1	220.6	238.7
2005	57	399	456	20.4	8.8	29.1	23.1	273.5	296.7
2006	88	342	430	16.0	2.1	18.1	26.5	176.7	203.2
2007	68	321	389	2.5	4.7	7.2	3.3	268.3	271.6
2008	85	336	421	11.0	4.8	15.8	17.3	156.9	174.2
2009	41	304	345	14.0	4.6	18.6	17.3	158.8	176.1
2010	57	314	371	6.2	4.5	10.7	15.7	215.6	231.3
2011	38	332	370	4.4	2.9	7.3	7.7	136.8	144.5
2012	21	293	314	11.2	1.8	13.0	17.0	112.0	129.0
2013	14	244	258	17.0	1.3	18.3	30.7	95.7	126.4
2014	29	258	287	10.1	1.5	11.6	17.9	93.0	110.9
2015	35	115	150	6.4	1.2	7.6	9.0	40.0	49.0
2016	16	81	97	9.0	0.6	9.6	10.1	40.3	50.4
2017	15	97	112	6.8	0.8	7.6	8.4	43.9	52.3
2018	14	72	86	7.0	0.4	7.4	10.3	21.1	31.4
<b>Annualised Average for Pre and Post-Reform period</b>									
<b>1981-1991</b>	<b>607</b>	<b>1417</b>	<b>2024</b>	<b>7.8</b>	<b>6.9</b>	<b>14.7</b>	<b>60</b>	<b>330</b>	<b>390</b>
1992-2000	337	845	1182	7	4	11	39	187	226
2001-2010	71	399	469	10	5	16	22	218	240
2011-2018	23	187	209	9	1	10	14	73	87
<b>1992-2018</b>	<b>145</b>	<b>485</b>	<b>630</b>	<b>9</b>	<b>4</b>	<b>13</b>	<b>25</b>	<b>165</b>	<b>190</b>
<b>Growth over Pre-reform Period (%)</b>	<b>-76</b>	<b>-66</b>	<b>-69</b>	<b>13</b>	<b>-47</b>	<b>-15</b>	<b>-58</b>	<b>-50</b>	<b>-51</b>

Source: i) Labour Bureau, Indian Labour Year Book, various Issues (1983 to 2004)

ii) Labour Bureau, Indian Labour Statistics, various issues.

iii) <http://www.labourbureau.gov.in>



**Table 3.2, Percentage Distribution of Industrial Disputes in Public and Private Sector:  
1981 to 2018**

Year	No. of Disputes (Strikes & Lockouts)			No. of Workers Involved (Lakh)			No of Man-days Lost (Lakh)		
	Public Sector	Private Sector	All Sectors	Public Sector	Private Sector	All Sectors	Public Sector	Private Sector	All Sectors
1981	27.3	72.7	100.0	44.3	55.7	100.0	27.5	72.5	100.0
1982	32.2	67.8	100.0	49.7	50.6	100.0	13.9	86.1	100.0
1983	35.5	64.5	100.0	51.8	48.2	100.0	9.5	90.5	100.0
1984	28.3	71.7	100.0	47.8	52.2	100.0	14.0	86.0	100.0
1985	22.8	77.2	100.0	35.7	64.3	100.0	11.0	89.0	100.0
1986	20.6	79.4	100.0	41.2	58.8	100.0	7.9	92.1	100.0
1987	24.6	75.4	100.0	56.5	43.5	100.0	14.8	85.2	100.0
1988	32.3	67.7	100.0	67.3	32.7	100.0	19.5	80.5	100.0
1989	34.4	65.6	100.0	67.3	32.7	100.0	17.5	82.5	100.0
1990	34.4	65.6	100.0	67.6	32.4	100.0	23.8	76.2	100.0
1991	36.1	63.9	100.0	58.7	41.3	100.0	15.7	84.3	100.0
1992	36.0	64.0	100.0	45.2	54.8	100.0	6.1	93.9	100.0
1993	25.8	74.2	100.0	59.2	40.8	100.0	11.3	88.7	100.0
1994	26.3	73.7	100.0	61.8	38.2	100.0	6.3	93.7	100.0
1995	32.2	67.8	100.0	73.3	26.7	100.0	29.4	70.6	100.0
1996	32.7	67.3	100.0	64.5	35.5	100.0	15.5	84.5	100.0
1997	34.3	65.7	100.0	63.0	37.0	100.0	12.8	87.2	100.0
1998	25.8	74.2	100.0	69.9	30.1	100.0	34.4	65.6	100.0
1999	17.8	82.2	100.0	42.2	57.8	100.0	4.4	95.6	100.0
2000	16.2	83.8	100.0	80.9	19.1	100.0	37.1	62.9	100.0
2001	20.6	79.4	100.0	62.2	37.8	100.0	8.5	91.5	100.0
2002	10.9	89.1	100.0	32.1	67.9	100.0	3.0	97.0	100.0
2003	10.7	89.3	100.0	60.5	39.5	100.0	22.7	77.3	100.0
2004	10.3	89.7	100.0	76.7	23.3	100.0	7.6	92.4	100.0
2005	12.5	87.5	100.0	70.0	30.0	100.0	7.8	92.2	100.0
2006	20.5	79.5	100.0	88.4	11.6	100.0	13.0	87.0	100.0
2007	17.5	82.5	100.0	34.7	65.3	100.0	1.2	98.8	100.0
2008	20.2	79.8	100.0	69.6	30.4	100.0	9.9	90.1	100.0
2009	11.9	88.1	100.0	75.3	24.7	100.0	9.8	90.2	100.0
2010	15.4	84.6	100.0	57.9	42.1	100.0	6.8	93.2	100.0
2011	10.3	89.7	100.0	60.3	39.7	100.0	5.3	94.7	100.0
2012	6.7	93.3	100.0	86.2	13.8	100.0	13.2	86.8	100.0
2013	5.4	94.6	100.0	92.9	7.1	100.0	24.3	75.7	100.0
2014	10.1	89.9	100.0	87.1	12.9	100.0	16.1	83.9	100.0
2015	23.3	76.7	100.0	84.2	15.8	100.0	18.4	81.6	100.0
2016	16.5	83.5	100.0	93.8	6.3	100.0	20.0	80.0	100.0
2017	13.4	86.6	100.0	89.5	10.5	100.0	16.1	83.9	100.0



2018	16.3	83.7	100.0	94.6	5.4	100.0	32.8	67.2	100.0
<b>Public and Private Sector Dispute as % of Total Dispute for Pre and Post Reform Period</b>									
<b>1981-1991</b>	<b>30.0</b>	<b>70.0</b>	<b>100.0</b>	<b>53.0</b>	<b>47.0</b>	<b>100.0</b>	<b>16.0</b>	<b>84.0</b>	<b>100.0</b>
1992-2000	27.5	72.5	100.0	62.0	38.0	100.0	17.5	82.5	100.0
2001-2010	15.0	85.0	100.0	63.0	37.0	100.0	9.0	91.0	100.0
2011-2018	13.0	87.0	100.0	86.0	14.0	100.0	18.0	82.0	100.0
1992-2018	19.5	81.5	100.0	69.5	30.5	100.0	15.0	85.0	100.0
<b>Change over Pre-reform Period (%)</b>	<b>-10.5</b>	<b>11.5</b>	<b>-</b>	<b>16.5</b>	<b>-16.5</b>	<b>-</b>	<b>-1</b>	<b>1</b>	<b>-</b>

**Source: Calculated from Table 3.1**

Post-reform period has declined in private sector significantly by about 47 percent over the pre-reform period, while the public sector witnessed an increase of about 13 percent in this respect. The average number of the workers involved in industrial unrest in the public sector has increased from about 53 percent in pre-reform period to 70 percent in the post-reform period, while in case of private sector, it declined from 47 percent to nearly 31 percent. During the entire period (1981 to 2018), proportion of man-days lost per annum was again much higher in the private sector (around 85%) than the public sector (15%) with increasing trend in the post reform period.

The share of private sector in the total industrial disputes and man-days lost has remained high throughout than the public sector, while this trend got further aggravated during the post-reform period. However, the proportion of the number of workers involved in industrial disputes has been high in case of public sector, which on the average, increased from 53 percent in the pre-reform period to nearly 70 percent during the post-reform period, whereas, in case of private sector the average percentage share declined from 47 percent to 31 percent respectively. Within the reform period, this trend is attributed mainly to the first and second decade of the present century. The emergence of the above trend may be due to the peculiar nature of activities undertaken in the public sector undertakings such as life insurance, railways, post and telegraphs and banks etc whose organisations are big in size. Consequently, when the strikes are organised in such public sector undertakings though after long intervals, they affect large number of workers.

The above results indicate that the incidence of industrial conflicts and man-days lost on account of industrial disputes has plagued private sector in the more pronounced manner during the entire reference period but with greater intensity in the reform period. On both the indices, the public sector has performed better than the private sector. Further, for the entire period (1981 to 2018), the individual intensity of disputes has remained all-time high in the private sector than in the public sector. During



the pre-reform period, the individual intensity defined in terms of the average number of man-days lost per worker was around 8 and 50 man-days per annum in the public and the private sector respectively. In other words, it is suggested that in the pre-reform period, the relative individual intensity of disputes in private sector was 6.3 times that of the public sector.

During the post-reform period, the individual intensity of disputes has shown a declining trend in public sector and rising trend in the private sector. Whereas, the individual intensity of disputes for the public sector tumbled from about 8 to just 3 man-days (62 percent), this intensity for private sector remained more or less unchanged and witnessed an insignificant increase of about 1.6 percent and, therefore, kept the relative individual intensity of disputes at

**Table 3.3, Intensity of Industrial Disputes in Public and Private Sector: 1981 to 2018**

Year	No. of Workers Involved per Dispute		No. of Man-days Lost Per Worker (Individual Intensity)		No. of Man-days Lost Per Dispute (Social Intensity)		Social Intensity Index of Pvt Sector over Pub Sector
	Public Sector	Private Sector	Public Sector	Private Sector	Public Sector	Private Sector	
	1	2	3=5/1	4=6/2	5	6	
1981	994	470	14.3	30.0	14238	14090	1.0
1982	914	441	14.2	86.5	12966	38156	2.9
1983	856	439	5.9	60.2	5036	26438	5.2
1984	1573	678	8.5	47.3	13296	32060	2.4
1985	960	513	8.3	37.5	7985	19230	2.4
1986	1743	643	3.8	31.2	6612	20078	3.0
1987	2262	567	5.2	39.1	11855	22196	1.9
1988	1422	329	8.3	70.2	11755	23124	2.0
1989	1493	381	6.2	60.4	9273	22992	2.5
1990	1408	354	6.5	43.3	9140	15322	1.7
1991	1207	479	5.3	40.2	6340	19257	3.0
1992	917	625	3.4	42.8	3112	26737	8.6
1993	1574	376	4.1	46.3	6379	17418	2.7
1994	1655	365	2.5	60.9	4177	22226	5.3
1995	2114	365	6.6	43.6	13965	15906	1.1
1996	1591	424	5.2	51.4	8268	21822	2.6
1997	1379	424	3.5	40.9	4866	17328	3.6
1998	3184	477	8.4	37.3	26784	17789	0.7
1999	3352	995	2.1	33.8	7152	33609	4.7
2000	9176	420	9.3	66.7	85440	27988	0.3
2001	3079	486	4.7	83.6	14532	40636	2.8
2002	5508	1421	2.3	35.2	12698	49961	3.9
2003	18627	1454	6.2	32.6	116271	47444	0.4
2004	32449	1126	1.1	45.8	36939	51542	1.4
2005	35772	2193	1.1	31.3	40526	68546	1.7
2006	18182	614	1.7	84.1	30114	51667	1.7



2007	3676	1464	1.3	57.1	4853	83583	17.2
2008	12941	1429	1.6	32.7	20353	46696	2.3
2009	34195	1513	1.2	34.5	42195	52237	1.2
2010	10877	1433	2.5	47.9	27544	68662	2.5
2011	11579	873	1.8	47.2	20263	41205	2.0
2012	53333	614	1.5	62.2	80952	38225	0.5
2013	121429	533	1.8	73.6	219286	39221	0.2
2014	34828	581	1.8	62.0	61724	36047	0.6
2015	18286	1043	1.4	33.3	25714	34783	1.4
2016	56250	741	1.1	67.2	63125	49753	0.8
2017	45333	825	1.2	54.9	56000	45258	0.8
2018	50000	556	1.5	52.8	73571	29306	0.4

Source: Calculated from Table 3.1

a higher level in the private sector in comparison to public sector. The relative individual intensity of disputes in private sector over the public sector increased from 6.3 times in the pre-reform period to around 17 times in the post-reform period reflecting a net growth of nearly 168 percent over the pre-reform period. Within the reform period, this alarming trend of rising relative individual intensity of disputes in private sector is attributed mainly to the period 2011 to 2018, where the relative individual intensity of private sector has been nearly 38 times to that of public sector. Therefore, it is suggested that the sufferings and hardships of the working class have deteriorated due to the worsening of the industrial relations. The working class employed in the private sector appear to be more afflicted with this happening as compared to the public sector in the post-reform period. The growing worsening of the socio-economic conditions of the working class due to worsening of industrial relations cannot be disputed.

The analysis of social intensity of disputes has shown higher magnitude in the private sector as compared to the public sector for the entire pre- and post-reform period. However, the magnitude of relative social intensity of disputes in private sector over public sector declined from 2.3 times in pre-reform period to just 1 time during the reform period, indicating a decline of about 58 percent over the pre-reform period which can be attributed to the behaviour of private sector. In the reform period, the social intensity of dispute in public sector increased from 9863 man-days to 40993 man-days reflecting a worrying rise about 316 percent, while in case of private sector this increase

**Table 3.4, Relative Intensity of Disputes in Public and Private Sector: 1981 to 2018**

Period	(Individual Intensity) No. of Man-days Lost Per Worker		Relative Individual Intensity of Dispute in Pvt Sector Over Public Sector	(Social Intensity) No. of Man-days Lost Per Dispute		Relative Individual Intensity of Dispute in Pvt Sector Over Public Sector
	Public Sector	Private Sector		Public Sector	Private Sector	
	1	2		3=2/1	4	
1981-1991	7.9	49.6	6.3	9863	22995	2.3
1992-	5	47.1	9.4	17794	22313	1.3



2000						
2001-2010	2.4	48.5	20.2	34603	56097	1.6
2011-2018	1.5	56.6	37.7	75080	39225	0.5
<b>1992-2018</b>	<b>3</b>	<b>50.4</b>	<b>16.8</b>	<b>40993</b>	<b>39837</b>	<b>1.0</b>
<b>Growth over Pre-reform Period (%)</b>	<b>-62.0</b>	<b>1.6</b>	<b>167.6</b>	<b>315.6</b>	<b>73.2</b>	<b>-58.3</b>

Source: Calculated from Table 3.3

Was much less than the public sector i.e., 73 percent from 22995 to 39827 man-days. Also, this trend is again attributed to the period 2011 to 2018. This tendency confirms that there has been a substantial increase in the social intensity of disputes in the public sector than the private sector during the post-reform period. But this post-reform increase in the social intensity of public sector dispute could not be offset by the already high magnitude of social intensity of private sector dispute. The net result is that the relative social intensity of dispute in the private sector over public sector is still one times higher than the public sector though taking a downturn in the post-reform period.

#### 4. Conclusion

The upshot of the entire analysis of the relative intensity of disputes in public and the private sector reveals that the individual intensity of disputes has been very high in the private sector which has further increased in the post reform period. The relative social intensity of disputes has also remained higher in the private sector though declining in the post-reform period. The industrial relations scenario has therefore relatively worsened in the private sector and remained harmonious in the public sector in the post-reform period. The public sector has therefore definitely an edge over the private sector in the maintenance of better industrial relations during the pre-reform as well as in the post-reform period.

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2. Labour Bureau (Govt. of India), *Indian Labour Statistics*, various issues.
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