

## Industrial Relations

7.57 There has been an improvement in the industrial relations scenario of the country in the nineties, as compared to the eighties, as reflected in the statement of mandays lost on account of strikes and lockouts (Table 7.16). The number of strikes registered declined to 665 during 1998 as against 793 during 1997. The number of lockouts also went down to 432 in 1998 from 512 in 1997. There have been a few instances of protests by workers in response to restructuring measures in the infrastructure sectors like power and ports & docks. The reduction in strikes and lockouts was more prominent in public sector and the central sphere compared to the private sector and the state sphere. The Government's proactive role, seeking solutions through involvement of social partners in various tripartite fora for arriving at policies impeding on labour interests, was responsible for bringing down the outbreak of strikes and lockouts.

7.58 The mandays lost on account of strikes and lockouts has, however, increased from 17 million in 1997 to 22.1 million in 1998. Mandays lost due to strikes increased by 3.1 million whereas mandays lost due to lockouts increased by 2 million between 1997-98. In the central

sphere there was a significant increase in mandays lost, by 5.84 million, over this period. In contrast, the state sphere recorded a decline of 0.75 million mandays only. The public sector revealed a trend similar to that witnessed in the central sphere, reporting an increase in mandays lost by 5.40 million during 1998 in sharp contrast to a decline of 0.30 million reported by the private sector during the same period.

7.59 Andhra Pradesh, Tamil Nadu and Gujarat experienced maximum instances of strikes and lockouts in 1998. The industries facing the highest incidence of strikes and lockouts were coal, mining, engineering and cotton textiles. Wage and wage related issues were the important reasons behind the strikes along with personal issues and retrenchment. There were also incidents of protests against privatisation and multinationals.

7.60 In view of the sweeping changes having taken place in the economy after liberalisation, the need was felt to review the existing labour laws and legislations in the context of the changed scenario. Accordingly, the Government has set up the Second Labour Commission. The background to the setting up the Commission and its terms of reference are given in Box 7.4.

**TABLE 7.16**  
**Industrial relations scenario**

| Year      | Strikes |                              | Lockouts |                              | Total  |                              |
|-----------|---------|------------------------------|----------|------------------------------|--------|------------------------------|
|           | Number  | Mandays lost<br>(in million) | Number   | Mandays lost<br>(in million) | Number | Mandays lost<br>(in million) |
| 1995(P)   | 732     | 5.7                          | 334      | 10.6                         | 1066   | 16.3                         |
| 1996(P)   | 763     | 7.8                          | 403      | 12.5                         | 1166   | 20.3                         |
| 1997(P)   | 793     | 6.3                          | 512      | 10.7                         | 1305   | 17.0                         |
| 1998(P)   | 665     | 9.4                          | 432      | 12.7                         | 1097   | 22.1                         |
| 1999 (P)* | 336     | 3.6                          | 229      | 5.2                          | 565    | 8.9                          |

\* Upto Jan-Sept.      P : Provisional

## BOX 7.4

### Second National Commission on Labour

#### Background

- The First National Commission on Labour was constituted on 24<sup>th</sup> December 1966. The Commission submitted its report in August 1969 after examining the relevant issues for labour in both organised and unorganised sectors.
- In the three decades subsequent to the setting up of the First Commission, there has been an increase in volume of the labour force due to gradual industrialisation and urbanisation.
- Various far-reaching changes have taken place in the economy since the introduction of reform measures from 1991. These changes have, in turn, brought about radical transformations in the domestic industrial scenario and the labour market. Changes have taken place in work places, in industry and character of employment, working hours and in the overall industrial relations scenario. The outcome of all these changes have been certain marked uncertainties in the labour market, necessitating a fresh look at the labour laws.
- Accordingly, the Government decided to set up the Second National Commission on Labour on 24<sup>th</sup> December 1998, for suggesting appropriate changes in labour legislation / policy. The resolution for setting up the Commission was issued on 15th October 1999.

#### Composition

- The Second National Commission on Labour is a high powered body headed by Chairman and two full time Members, including Member-Secretary. There are seven part-time Members representing trade unions, industry, women experts etc. The Commission is required to give its final report within twenty four months from the date of its constitution.

#### Terms of reference

- To suggest rationalisation of existing laws relating to labour in the organised sector.
- To suggest an umbrella legislation for ensuring a minimum level of protection to the workers in the unorganised sectors.
- In developing the framework for its recommendations, the Commission will take into consideration the following:
  - follow up implications of the recommendations made by the Commission set up in May 1998, for reviewing various administrative laws governing industry;
  - the emerging new economic environment entailing rapid technological changes, requiring response in terms of change in methods, timings and conditions of work in industry, trade and services, globalisation of the economy, liberalisation of trade and industry and emphasis on international competitiveness and the need for bringing the existing laws in tune with the future labour market needs and demands;
  - the minimum level of labour protection and welfare measures and the basic institutional framework for ensuring the same, in a manner which is conducive to a flexible labour market and adjustments necessary for furthering technological change and economic growth; and improving the effectiveness of measures relating to social security, occupational health and safety, minimum wages and linkage of wages with productivity and in particular the safeguards and facilities required for women and handicapped persons in employment.