

Analysis of the Industrial Disputes Act, 1947

Partole Sanjay Yashwant

SST College of Arts and Commerce, Maharashtra, India.

sanjaypartole@sstcollege.edu.in

Abstract: *Industrialization in a country has always contributed to employment, contribution to national income, per capita income, exports and economic development on one side and industrial disputes on the other. It has always been the case of mixed blessings. The conflict of interest between management and labour is what leads to industrial disputes. The management has a goal of profit maximization and on the other hand the workers expect rise in income, security of job, protection of their skills, improvement in their status and in the working conditions. Those who control the factors of production require strict administration, closer supervision, and maintenance of strict discipline and implementation of rules, code of conduct and code of discipline. Whereas the workers demand a share in capital, voice in management, freedom of expression, participation in management and dignity of employees. So the people that control the factors of production and people that produce always have different or conflicting interests which gives birth to industrial disputes.*

According to the Industrial Dispute Act, 1947. Section 2 (K) "Industrial Disputes mean any dispute or difference between employers and employers or between employers and workmen or between workmen and workmen, which is connected with the employment or non - employment or terms of employment or with the conditions of labour of any person".

Keywords: Industrial disputes, productivity, Collety, resolution

I. INTRODUCTION

Capitalist economy or socialist economy or mixed economy. Industry and industrial dispute always go hand in hand in fact they are the two sides of the same coin. The employees who give their services and time to the industry are interested in higher wages, good working conditions and want to have a voice in management. The employers on the other hand are more interested in profits, productivity, quality and control of cost. With both these forces acting in opposite direction there is a maximum possibility of disputes and so industrial disputes has become a major feature of industrialization.

Industrial disputes may arise out of economic, political, social or socio - economic background. At the same time the attitude of the employers and employees is also responsible to a great extent. The factors leading to industrial disputes may be industry related, management related, government related or union related.

Objective -

1. To understand industrial disputes act 1947
2. To examine problems and barrier of Indian labor system
3. To study controversy regarding industrial act 1947

The Industrial Disputes Act, 1947 regulates the Indian labor law so far as that concerns trade unions as well as individual workmen employed in any industry in the Indian mainland. It was one of the last legislative act before the passing of the Indian Independence Act of 1947.

II. METHODOLOGY

The methodology for **Industrial Disputes Act, 1947** involved collecting and analyzing data from various sources, including government reports, statistical databases, and research papers. The data was analyzed using statistical tools and techniques, and the findings were presented in the form of tables, charts.. The analysis focused on two main

sectors: Labour law and Labour conflict. The factors influencing Industrial Disputes Act, 1947 were identified by examining the literature on the subject and consulting with experts in the field. The findings were then synthesized and presented in the form of a report.

Overview of the Industrial Disputes Act, 1947

A cursory detail of the act is given in the table below:

Industrial Disputes Act, 1947

An Act to make provision for the investigation and settlement of industrial disputes, and for certain other purposes.

Territories under direct British control, later implemented in the Princely States upon their integration with the Indian Union

Enacted by - Central Legislative Assembly

Assented to - 11th March 1947

Commenced - 1st April 1947

Objectives of the Industrial Disputes Act, 1947

The act was drafted to make provision for the investigation and settlement of industrial disputes and to secure industrial peace and harmony by providing mechanism and procedure for the investigation and settlement of industrial disputes by conciliation, arbitration and adjudication which is provided under the statute.

This Act was passed with a key objective of “Maintenance of Peaceful work culture in the Industry in India” which are mentioned under the Statement of Objects & Reasons of the statute.

The Act also lays down:

The provision for payment of compensation to the workman on account of closure or lay off or retrenchment.

The procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments The actions to be taken against unfair labour practices on part of an employer or a trade union or workers.

Controversy Regarding the Industrial Disputes Act, 1947

The act was implemented to provide for machinery and procedure for the investigation and settlement of industrial disputes, applicable to all irrespective of size and sector. It even has provisions regarding conditions for layoffs, retrenchment (reduction in the size of operations) and closure of industry.

This clause arises controversy regarding the act, particularly as per Chapter V-B. There have been multiple amendments that have been made over the years for this clause. The chapter states the following:

If an industrial establishment employs more than 50 persons, it needs to give 60 day’s notice, citing reasons of closure to the appropriate government before the closure of the industry. It was increased to 90 days in 1982.

If the establishment employs more than 300 employees, it must take prior approval of the proper government authority regarding approval for layoffs, retrenchment and closure. This limit was lowered to 100 employees in the 1982 amendment.

These two provisions of Chapter V-B of the Industrial Disputes Act are interpreted as rigidity in the labour market. The main objective of this provision is to ensure that an employer cannot hire or fire and employee at will. To take any such action, they need to seek permission from the labour commissioner.

This subject is also under the concurrent list which is why individual states have made even stricter rules and conditions so that the lay off, retrenchment and closure become even more difficult.

As a result, it has caused the following problems in the labour industry:

Lower output by labour

Lower productivity

Hesitation in hiring
Lower investments
Lower overall manufacturing performance
Foreign investors are deterred from investing in India.

Apart from Chapter V-B, Section 9-A is also a cause of concern. This section says that if employers are modifying the wages and other allowances, they need to provide the labour commission a notice 21 days in advance. Thus, if employers quickly need to redeploy the employees to meet certain time-bound targets, this practice disallows that.

What the industry demands, is that this law needs rationalization as per the demand of the current era of globalization? It is the complexity of this act that is generally held responsible for the fact that only 6% of the total labour force is working in the organized manufacturing sector and the remaining in employed in the unorganized sector.

The challenge for the governments (centers/state) is to make a delicate balance between labour welfare and industry welfare.

III. CONCLUSION

The Industrial Disputes Act of 1947 is India's major legislation controlling dispute settlement. It was adopted to allow for the investigation and resolution of industrial disputes, to prevent illegal strikes and lockouts, and to offer assistance to workers facing layoffs, reduction, or unfair dismissal. The Industrial Disputes Act of 1947 governs Indian labour law regarding trade unions and individual workers engaged in business on the Indian mainland.

REFERENCES

- [1]. <https://testbook.com/ias-preparation/industrial-disputes-act-1947>
- [2]. <https://blog.ipleaders.in/industrial-disputes/>
- [3]. <https://www.simpliance.in/blog/industrial-disputes-act-1947-labour-law/>
- [4]. Industrial disputes act with state amendments
- [5]. Industrial disputes act 1947 - snow white publication.