

Disputes and their Impact on Industries under Public and Private Sector in India in the Era of Reforms

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Abstract

As a result of industrial disputes entrepreneurs lose their profits and workers forgo their earnings for the dispute period. Further, industrial exports will be reduced which will affect the volume of foreign exchange results and on the whole economic development of the country will be affected. Having realized this, the Government of India has been implementing various measures for reducing industrial disputes through the promotion of industrial relations and labor welfare particularly in the context of economic reforms. The present paper examines the extent of disputes and their impact on industries under public and private sectors in India for the pre (1980-90) and post (1991-2016) reform period. The study observes that industrial disputes in respect of both the public and private sector industries have declined during the post reforms period than that of the pre reforms period. However, public sector industries have experienced a higher rate of growth of workers involvement, loss of man days and in turn loss of production than that of private sector industry during the post reforms period. Hence, the study argues for improving good industrial relations particularly in the case of public sector industries in India.

Keywords: Industrial disputes, Industrial relations, Economic reforms.

Introduction

Industrial Disputes affect both the entrepreneurs and workers through loss of production and wages respectively and in turn economic development of the country. A large number of studies dealing with various issues of industrial disputes in Indian industries at aggregate level have been carried out for different times and regions of the country. However, no concrete attempt has been made so far to study the extent of disputes and their impact on industries under public and private sector in the country. Such analyses are very useful for policy initiatives particularly in the context of economic reforms which have been initiated for achieving higher growth and

productivity in Indian industries. Against this background, an attempt has been made in this paper to study the extent of disputes and their impact on industries under public private sector by using the data for the pre (1980-90) and post (1991-2016) reforms period with the following objectives.

Objectives:

To examine the growth of disputes in public and private sector industries for the study period

To study the growth of workers involved and man days lost due to industrial disputes and

To examine the impact of disputes on industries through some criteria measures

The study has been carried out by using the secondary data collected from

- Reports of Indian Labour Statistics of various years.
- Indian Labour Year Books and journals of various years and
- Reports of Annual Review of Industrial Disputes in India of various years.

Methodology:

The following methodology has been adopted in the study.

1. The growth of variables under study viz. strikes, lockouts, total disputes, workers involved, man-days lost in industries under public and private sector has been studied by estimating the annual average growth rates for the pre and post reforms period. ns.
2. The percentage share of strikes and lockouts in total disputes in terms of public and private industries has been calculated for the two sub periods.
3. The three criteria measures viz. Dispute Duration Ratio (DDR), Time Loss Ratio (TLR) and Dispute Coverage Ratio (DCR) have been estimated by using the following method to examine the impact of strikes and lockouts on industries under study

$$\text{DDR} = L/W$$

$$\text{TLR} = L/D$$

$$\text{DCR} = W/D$$

Where,

W = Number of workers

L = Number of man- days lost

D = Number of disputes

ANALYSIS:

1) Growth of Industrial Disputes in Public and Private Sector in India

According to Table1 public sector industries have recorded a negative rate of growth of disputes (-5.14%) than that of the private sector industries (-6.72%) which is higher for the entire study period.

The sub period analysis shows that both the public and private sector industries have recorded a negative rate of growth. During the pre and post reforms period indicating that they have experienced less labour unrest during the post reforms period compared to that of the pre reforms period.

Table 1

Annual Average Growth rates of Industrial disputes in industries under public and private sectors.

Period	Public sector	Private sector
Pre-reform period	-1.92	-4.20
Post-reform period	-6.38	-7.69
Total period	-5.14	-6.72

Source: Own estimates

2) Relative share of public and private sector industries in total industrial disputes in India

In order to examine the extent of industrial disputes and man days lost in the public and private sector in the country during the study period; their relative shares are estimated and presented in Table 2. It can be seen from the same table that the share of public sector industries in total disputes has declined from 21.18 percent to 14.78 percent during the period 1973 to 2016 while the share of industries under private sector has gone up from 78.81 percent to 85.21 percent for the same period by giving evidence to the fact that private sector industries have accounted for more than the three fourth of share in industrial disputes that have taken place during the period 1973-2016 in the country. These analyses support the validity of the fourth hypothesis and hence it is accepted.

Table 2**Relative share of public and private sector industries in total industrial disputes**

Year	No. of Disputes		
	Public Sector	Private Sector	Total
1973	714 (21.18)	2656 (78.81)	3370 (100)
1980	968 (33.89)	1888 (66.11)	2856 (100)
1991	653 (36.07)	1157 (63.92)	1810 (100)
2001	139 (20.62)	535 (79.37)	674 (100)
2011	57 (15.52)	312 (84.47)	370 (100)
2016	15 (14.78)	86 (85.21)	102 (100)

*Source: Own estimates***3) Growth of workers involved in disputes in Public and Private sector: 1980-2016.**

Growth of workers involved in public and private sector industries in India. Table 3 presents the rate of growth of workers involved in disputes in the case of public and private sector industries during the study period. It can be seen from the same table that the workers involvement in disputes has grown at a higher rate (17.05%) in the case of public sector industries than that of the private sector industries (9.4%) during the study period.

The sub period analysis shows that public sector industries have recorded a higher rate of growth of workers involvement (20.73%) during the post reforms period than that of the pre reforms period (7.49%) similarly private sector industries have also recorded a higher rate of growth of workers involvement (14.91%) that of the pre reforms period (-4.89%). Further the analysis shows that public sector industries have experienced a higher rate growth of workers involvement in disputes than that of the private sector indicating a higher share of disputes in the case of public sector.

Table-3**Annual average growth rates of workers involvement in industries under public and private sectors**

Period	Public industries	Private industries
Pre-reform period	7.49	-4.89
Post-reform period	20.73	14.91
Total period	17.05	9.41

4h) Man-days lost in public and private sector industries due to disputes:

Table 4 presents the growth rate of man days lost as a result of disputes in respect of both public and private sector industries during the reference period. One may note from the same table that public sector industries have recorded a higher rate of growth of man days lost (58.32%) compared to that of the private sector industries (2.21%) during the study period 1980-2016. The sub period analysis shows that public sector industries have recorded a higher rate of growth of man days lost during the post reforms period (72.91%) than that of the pre reforms period (21.40%). While private sector industries have experienced a negative rate of growth of man days lost (0.72%) during the post reforms period compared to that of the pre reforms period (9.81%). On the while it appears that public sector industries have experienced a higher rate of growth of man days lost than the private sector industries during both the sub periods.

These analyses indicate that as in the case with workers involvement, public industries experienced a higher growth of man day's loss more during the post reforms period than that of the private sector industries.

Table 4**Annual average growth rates of man- days lost due to disputes in industries under public and private sectors**

period	Public industries	Private industries
Pre-reform period	20.40	9.81
Post-reform period	72.91	-0.72
Total period	58.32	2.21

5. Three criteria measures in the case of public and private sector industries in India

Three criteria measures i.e. DDR, TLR and DCR have been estimated for industries under public and private sector in India and presented below in subsequent tables.

5.1) Growth of number of man-days lost per worker

It may be noted from the Table 5.1 that the growth of the number of man- days lost per worker was higher (24.71 %) in the case industries under private sector compared to that of the public sector industries (18.09%) during the pre-reforms period. However, in both the industries the growth of number of man days lost per worker has declined during the post reforms period.

Table 5.1

Average growth rates of Duration of Dispute Ratio in public and private sector industries

Period	Public	Private
Pre-reform period	18.09	24.71
Post-reform period	16.21	6.84

Source: own estimates

5.2) Growth of man-days lost per dispute

It may be noted from the table 2.2.2 that the number of man-days lost per dispute has grown at a higher rate during the post reforms period compared to that of the pre reforms period in the case of public sector industries while in respect of private sector industries it has grown at a lower rate during the post reforms period than that of the pre reforms period.

Table 5.2

Average growth rates of Time Loss Ratio in public and private sector industries in India

period	Public sector	Private sector
Pre-reform period	29.63	14.19
Post-reform Period	110.04	8.61

Source: own estimates

5.3 Growth of number of workers per dispute

It is clear from table 5.3 that the number of workers per dispute has grown at a higher rate (54.26%) in the case of public sector industries during the post reforms period than that of the pre reforms period (11.34). The similar is the case with private sector also where the number of workers per dispute has grown at a higher rate (27.39 %) during the post reforms period than that

of pre reforms period (-1.43%)

Table 5.3 Average growth rates of Dispute Coverage Ratio in public and private sector industries

period	Public	Private
Pre-reform period	11.34	-1.43
Post-reform period	54.26	27.39

Source: own estimates

Concluding Remarks

Disputes in respect of both public and private sector industries have declined more significantly during the post reforms period than that of the pre reforms period.

Private sector industries have accounted for more than the three fourth of share in industrial disputes that have taken place during the period 1973-2016.

However, public sector industries have experienced a higher rate of growth of workers involvement in disputes during the post reforms period than that of the private sector indicates a higher scale of disputes in the case of public sector industries.

Similarly the growth of man- days lost due to disputes was also higher in the case of public sector industries compared to that of the private sector industries during the study period indicating a more loss of production in industries under public sector.

The analysis of three criteria measures (Dispute Duration Ratio, Time loss ratio and Dispute coverage ratio) indicate that the industries in India have experienced a declining growth in terms of man days lost per worker and man days lost per dispute as against an increasing growth in workers per dispute during the post reforms period than that of the pre-reforms period resulting in less loss of production against a higher scale of disputes.

The analysis of three criteria measures in the case of public and private sector industries shows that public sector industries have experienced a higher rate of growth of man- days lost per worker during the pre-reforms period than that of the post reforms period.

However these industries have experienced a lower rate of growth of man- days lost per dispute and worker per dispute during the pre-reforms period than that of the post reforms period.

Further public sector industries have experienced a higher rate of growth in terms of all the three criteria ratios than that of the private sector industries during the post reforms period.

Hence, the study argues that industrial relations must be improved particularly in the case of public sector industries in India for eliminating the disputes and their impact on industrial productivity and workers welfare through appropriate policy initiatives.

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