Abstract

Present paper discusses regarding significance of industrial jurisprudence is quite evident not only with increase in labor and industrial legislations but also from a large number of industrial law matters decided by the Supreme Court and the High Courts. It also says about the importance of harmonious relations between employers and employees. It also discusses about the changing relationship of employers and employees from master and servant to partners. Study in its later part says that the Parliament and the Supreme Court have helped in shaping industrial jurisprudence, the former through legislation and the latter as interpreter of the labor laws and that labor legislation in any country should be based on the principle of social justice, social equality, international uniformity and national economy. The last portion of the paper discusses about the impacts of industrial disputes on various parts of economy. It studies that the industrial disputes have adverse effects on economy as a whole, be it labor (employees) and their families, employers, production, consumption, demand supply, prices, industries, society, etc. Finally the paper is concluded by saying that at the present time the disadvantages of industrial disputes are many and varied. The country is passing through an economic crisis. Unemployment has reared its ugly head. There is urgent necessity of more production and of greater industrialization of the country. The inflationary tendencies can only be curbed down by increase in production. The paper also gives a few examples of elongated cases of industrial disputes.

Key Words: Industrial Disputes, Jurisprudence, Laborers, Social Justice, Legislation

Introduction of Industrial dispute

The growth of industrial jurisprudence can significantly be noticed not only from increase in labor and industrial legislations but also from a large number of industrial law matters decided by the Supreme Court and the High Courts. It affects directly a considerable population of the country consisting of industrialists, workmen and their families. Those who are affected indirectly consists still a larger bulk of India’s population. This branch of law modified the traditional law relating to master and servant and had cut down the old theory of laissez faire based upon the
freedom of contract in larger interest of the society because that theory was found wanting for the development of harmonious and amicable relations between the employers and the employees. The traditional right of an employer to hire and fire his workmen at his will has been subjected to many restraints. Industrial Tribunals can by their award make a contract which is binding on both the parties creating new right and imposing new obligations arising out of the award. There is no question of the employer agreeing to the new contract; it is binding even though it is unacceptable to him. The creation of new obligations is not by the parties themselves. Either or both of them may be opposed to it, nevertheless it binds them. Thus, the idea of some authority making a contract for the workmen and employer is a strange and novel idea and is foreign to the basic principle of law of contract.

Similarly, there is a change in the concept of master and servant. Now one who invests capital is no more a master and one who puts in labor is no more a servant. They are employee and employees, the former may hire the latter but he can no more fire them at his will. The interest of the employees is in many respects protected by legislation. Both are parties in an enterprise, without one yielding to the higher status of another but as co-sharer in the partnership. Even the right of labor participation in the management has been given legislative recognition to the utter despair of the capitalist. Most of the benefits claimed by the workmen are not part of his bargain with the employer when the latter employed him or are not due to them on account of any contract but of status. The industrial society all over the world has been moving during the present century from contract to status and this status is a politico-socio-economic juristic status.

What were the factors that lead to this departure from the old theories of the law of contract, and the law of master and servant? Industrialization in India, as in other countries, brought with it some new socio-economic problems. Those who control the industry have a natural tendency of multiplying their wealth and if this tendency is not checked, the rich grows on richer and the poor becomes poorer day by day. The gap between rich and poor ultimately grows on to this extent that it develops into two distinct classes in any industrial society, a few of whom are ‘Haves’ and the others are ‘Have-nots’, the latter being exploited. Although, this situation continues for some time and it had continued to be so in India too, but gradually the workmen realized that they could put a better fight if they get united. This realization was closely followed by a period of industrial unrest leading to strikes and lock outs. These conditions so disturbed the world has witnessed the horrors of the two world wars resulting in spiral rise in the cost of living. With the rise in the cost of living there has been consistent demand from labor to
increase wages. Democratic ideas have also grown simultaneously with the growth of industrialization in the country. These democratic ideas have pleaded for and have also helped in mass awakening and consciousness for greater power amongst the working class. Out of the struggle between workers, demanding for better share in production and profit of industry and employers' hesitation to part with it beyond a certain limit, have grown the recognition of certain principles which are considered to be fundamental in almost all developed nations of the world. These basic principles are:

1. The right of workmen to combine and form associations or unions.
2. The right of workmen to bargain collectively for the betterment of their conditions of service.
3. The realization that economic struggle is inevitable because it is but natural that labor would agitate for better conditions.
5. Tripartite consultations i.e. solution of the industrial or labor disputes through the participation of workers, employees and the government.
6. The state can no more be a neutral onlooker but must interfere as the protector of the social good.
7. Minimum standards must be guaranteed through state legislation.

**Objectives of Study**

1. The important objective of the present study is to analyze various causes of industrial disputes in the country.
2. To study the changing relationship between labor and owner since the equation between the two has changed a lot in recent times.
3. To study the impact of industrial disputes on the economy as a whole including every section of economy and society.

**Review of Literature**

A.C. Pigou in his book, ‘The Economics of Welfare’ (1920) studied that the possibility of conflict between the effects of economic causes upon economic welfare and upon welfare in general is easily explained. The only aspect of conscious life which can, as a rule, be brought in relation with a money measure, and which, therefore, fall within economic welfare, are a certain limited group of satisfactions and dissatisfactions.
Ludwig Teller in ‘Industrial Disputes and Collective Bargaining’ (1941) stated that the term collective as applied to collective bargaining agreement will be seen to reflect the plurality not of employers who may be parties thereto, but of the employees involved therein. Again, the term collective bargaining is reserved to mean bargaining between an employer or a group of employers and a bona fide labor union.

Dr. Yogesh Daudkhane in his article titled ‘Industrial Disputes in India- Causes and Consequences’ stated that it is from ages industrial disputes have been acting as big hurdle in the growth of industry which largely impacts the economic growth of nations. He also studied that presence of industrial dispute in an economy is not a good sign, it leads to a lot of consequences and have manifold impact on employer, employees, production, GDP, etc. and therefore on the economy as a whole.

Dr. PK Manoj in his paper titled ‘Trend and Pattern of Industrial Disputes in Kerala and implications on Industrial Relations in the State’ (2013) studied that the consequences of industrial disputes will be harmful to promoters of industries, workers, economy and the nation as a whole because such disputes result in loss of productivity, profits, market share and even closure of plant. Hence, industrial disputes need to be averted by all means.

M. Parmeswaran in his paper titled ‘Determinants of Industrial Disputes: Evidence from Indian Manufacturing Industry’ (2015)examines the determinants of industrial disputes in India in manufacturing industry and found that there has been a drastic decline in the number and intensity of industrial disputes in India. He stated that the contract labor and import competition have significant negative effects on industrial disputes.

**Concept**

The concept of industrial jurisprudence in the country developed only after independence. Until independence the change in attitude of the government and the benevolent labor legislation only aimed at amelioration of the conditions of labor and it could hardly be said to be a deal in social justice to working class. The birth of industrial jurisprudence in the country may be ascribed to the Constitution of India which made more articulate and clear the industrial relations philosophy of the Republic of India. This philosophy has afforded the broad and clear guidelines for the development of our industrial jurisprudence and thus taken India one step forward in her quest for industrial harmony. The Parliament and the Supreme Court have helped in shaping industrial jurisprudence, the former through legislation and the latter as interpreter of the labor laws. Labor legislation in any country
Impact of Industrial Disputes

Now, here researcher discussed the impact of industrial disputes on economic life of country. There are certain questions which arise while discussing this aspect. These questions are: where are these strikes leading to? Should the workers be given the right to strike? What should be the remedies to prevent such strikes and what measures should be adopted for their settlement when they occur? These are the questions which have been agitating the public mind and have caused much difference of opinion among the thinking men. It is the pity that though we have borrowed western industrial methods and organization, the machinery devised in the west to ensure harmonious industrial relations or at least mitigate violent industrial disputes, has not been utilized in this country with much useful results. The result has been that the strikes have been quite common in India causing a serious economic injury to employers and workers alike with often grave inconvenience to the public. Taking into account the net result of all strikes and lock outs that have occurred during the last three decades, the privations of the workers, the diminution of output and profits for industries, the inconvenience to the general public and atmosphere of mutual distrust and suspicion which they leave behind between the workers and the employers, the consideration of the methods for the prevention of the industrial disputes and the settlement when they do arise must be deemed urgent.

Prof. Pigou has pointed out that when labor and equipment in the whole or any part of an industry are rendered idle by a strike or lockout, the national dividend must suffer in a way that injures economic welfare. The loss of output for which these disputes are responsible often extends much beyond the industry directly affected. The reason behind it is that a stoppage of work in an important industry checks activity in other industries in two ways. On the one hand, by impoverishing the people actually involved in the stoppage it lessens the demand for the goods, the other industries make. While on the other hand, if the industry in which the stoppage has occurred is one that furnishes a commodity or service largely used in the conduct of other industries it lessens the supply to them of raw material or equipment for their work. This effect will depend on nature of commodity produced, but in some degree, all stoppages of work inflict an indirect injury upon the national dividend by the reactions they set up in other industries in addition to the direct injury that they carry in themselves.

It is true that the net contraction of output consequent upon industrial disputes is generally smaller than the immediate contraction; for a stoppage of work at one place may
lead both to more work at the same time in rival establishments and to more work at a later time (in fulfilling delayed orders) in the establishment where the stoppage has occurred. It must be admitted also that on some occasions, the direct damage caused by strikes and lock outs is partly compensated by the stimulus indirectly given to improvements of machinery and in the organization of work.

On a broad view, however, this hypothetical gain is altogether outweighed by certain loss of production in the industries directly affected and in related industries the raw material of which is cut off, or the product of which cannot be worked up into its final stage. Moreover, there may be lasting injury to the work people, in industrial careers interrupted, a load of debt contracted to meet a temporary emergency and permanent damage to their children’s health through the enforced period of insufficient nourishment. The extent of these evils varies, of course, partly with the degree to which the commodity, whose production is stopped, is consumed by the poorer classes and partly with its importance for life, health, security and order. But in any event, the aggregate damage with which industrial disputes threaten the national dividend is very grave. Hence, the eagerness of social reformers is to build up and fortify the machinery of industrial peace.

The strike weapon, therefore, cannot be defended on economic grounds because experience has proven that much more, in the long run, can be obtained by conciliation and arbitration, that is, by negotiating with sweet reasonableness, than by bitter conflicts. Threats in any walk of life never get any one very far, if indeed they get him anywhere. A threat always put the other fellow into a stubborn frame of mind makes him not to a fraction of an inch further than he must. The total loss resulting from industrial dislocations cannot be calculated merely in terms of wages and profits foregone or production curtailed, but above all must also include the inconveniences incurred by, and sometimes misery and sufferings imposed on, the community in general. This specially so in the case of disputes affecting public utility or essential services like transport, electricity, gas supply, sanitation and conservancy. The strike is a three-edged weapon. It not only hits the employers and the society, but the worst sufferers in the process are usually the workers themselves, and the distress caused to the laborers, on account of a strike, is in most cases out of all proportions to the gains ultimately secured. The workers sometimes have to face lathi charges and firing during a period of strike and they are victimized afterwards.

Do the workers endure all this suffering for the sake of mere fun? Why should they at all go on a strike when they know that they would be the worst sufferers? The answer is obvious. Under the modern capitalist economy, until the worker adopts the militant
attitude, many unreasonable employers would not leave their habits and mentality of exploiting the workers and pocket all the profits of industry themselves. Therefore, to illegalize strikes or to deny the workers the right to strike is no solution of the problem and this remedy may be worse than the disease itself.

Strike is the only weapon with the workers with which to face the employers in order to meet the latter’s challenge of exploitation. Hence, the problem should not be considered by taking the evils of strikes only but we should also take into account the point of view of the workers. The only remedy lies in removing the causes which give rise to strikes and should bring about a better relationship between the workers and the employers. The evils of strikes should be emphasized only to put greater weight on the adoption of methods for prevention and settlement of disputes.

**Conclusion**

In India it may, however, be noted that at the present time the disadvantages of industrial disputes are many and varied. The country is passing through an economic crisis. Unemployment has reared its ugly head. There is urgent necessity of more production and of greater industrialization of the country. The inflationary tendencies can only be curbed down by increase in production. In fact, the very fabric of our structure-political, social and economic wants immediate increase in production. All political leaders are exhorting the nation to increase production in the country. Thus, while the right to strike may not be denied to the workers but at the same time the right should not be abused. Many strikes are brought about sometimes on flimsy grounds. Employers have sometimes to face very strange demands of the laborers which are more psychological rather than economic or political in origin. Many strikes, as we have seen, are brought about by political and outside leaders for their own ends without any reference to the interest of the workers. The strike in the Premier Automobiles, Mumbai, in 1958, for example, was over a personal issue and not over any industrial question. Cases have also come to light when the employers have permitted the prolongation of disputes in order to win sympathy for themselves and strike at the laborers by their own weapons. The strike in Mumbai in the textile mill in 1950, which continued for 63 days and another strike in 1982, in Mumbai Textile Mill, prolonged which has continued for about 2 years can be cited as examples. There is something in the psychology of the Indian workers which, while giving him patience and strength and courage to go through acute suffering for weeks and even months seems nevertheless to produce a pronounced reaction from which he takes time to recover. The result has been that after every strike there is a period of calm and quiet attitude on the part of the workers for a long time to come, and this factor has induced
many employers, who can afford to wait, to prolong strikes and also declare lock outs. Such an attitude of the employers has to be deprecated.

Hence there can be many circumstances when the right to strike has to be curbed. During emergency conditions, like that of war, or in case of public-utility services, or even during the period of implementation of any plan for economic development of the country, or when the parties adopt an unreasonable attitude, it becomes the duty of Government to interfere and take away the right to strike and make all disputes illegal.

References

2. Sir Henry Maine, the human society has hitherto moved from status to contract" (1861),
5. A.C. Pigou- Economics of Welfare (1920),
6. Dr. Yogesh Daudkhane, “Industrial Disputes- Causes and Consequences” IJSRMS
7. Dr. PK Manoj and S Rajesh, “Trend and Pattern of Industrial Disputes in Kerala and the implications on Industrial Relations in the State” (2013)
10. Chandra, Mahesh(1976), Industrial Jurisprudence, Tripathi Private Limited, Bombay