

FOREWORD

The genesis of the compulsory adjudication of labour disputes lies in Rule 81-A of the Defence of India Rules, 1942 promulgated by the then British Government during the Second World War. The labour situation, however, was not stable at that time. Since the labour unrest at that juncture could prove detrimental for the country, the Government of India decided to promote "Industrial Truce Resolution" which, *inter alia*, declared fair wages as the first charge on production and to provide shelter to workers as the first area of priority. It virtually envisaged profit sharing geared to production, i.e., both the workers and employers would share the produce of their common efforts after making provisions for payment of: (a) fair wages to labour, (b) a fair return on capital employed, and (c) reasonable reserves for maintenance and development of the undertakings. However, despite these measures there was no remarkable improvement in the conditions of labour.

A need was, therefore, felt to regulate relationship between the labour and management with a view to balance conflicting interests and provide an effective machinery to adjudicate the disputes generally arising between them. Thus, in the area of labour relations, the enactments like the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947 were enacted to take care of the above situation. These enactments regulate employment, non-employment, terms of employment and conditions of labour and require the same to be made known to the workmen. These enactments provide a system of settlement of industrial disputes and fair adjustment of the claims of labour and employers. The Trade Unions Act, 1926, which deals with the creation of trade unions and their status and action, gives strength to the labour sector to protect its interests. Separate legislations also exist to protect other benefits of workers like wages and social security.

The problem of labour is, however, still prevailing with multiple prongs. In view of the existing labour problems and future challenges, the Central Government in 1999 appointed the Second National Commission on Labour to have a fresh appraisal of the relevant issues and propose solutions thereto. In view of the complexities involved in the compulsory adjudication, the voluntary settlement of disputes between the workers and the employers could be a viable solution, which, it is hoped, would satisfy the interests of the workers and employers. This would also be most relevant in the emerging era of liberalisation of the

economy and opening up of the markets to international competition in the country.

The present book based on the contributions of various experts on labour law takes a stock of the whole scenario of labour adjudication in the country, having separate essays on trade union immunities and methods of dispute settlement including, arbitration, conciliation, mediation, collective bargaining and reference of disputes to boards, courts and tribunals. The book offers an elaborate description of the Draft Indian Labour Code, 1994 prepared by the National Labour Law Association and discussions on its viability. It is expected to go a long way in providing guidance to the legislators, lawyers and the judges.

The Indian Law Institute is grateful to all the contributors to this volume, and to the editors, for the efforts they have put in to make it a reality.

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