Chapter 6

Summary of Findings and Conclusion

6.1 Introduction

Industrial relations which is concerned with the terms and conditions governing people at work and the processes through which these are arrived at is of great concern to the people who are actually involved in it. The problem of industrial relations occupies an important place in the economic and social life of a nation. It not only attract the attention of employers and employees with whom they are directly concerned, but also the government and community. Co-operation between all sections in industry and fair conditions of work are essential for productive efficiency and industrial progress. Healthy industrial relations are the key to industrial progress and are an indispensable ingredient in ensuring continuity in production and maximization of overall welfare of the people. A sound industrial relations system exists when relationships between management and employees (and their representatives) on the one hand and government on the other are cordial and cooperative which creates an environment conducive to efficient production and is essential in addressing a number of issues critical to employers, employees and the community.

The efforts towards faster industrialization of the country immediately after
6. Summary of Findings and Conclusion

independence raised a host of issues and concerns to the people at work who are directly concerned with the production process. Naturally, as a country committed to the creation of a socialistic pattern of society, the government was expected to play a major role in industrial relations, and accordingly a host of labour legislations were enacted to protect labour and to resolve industrial conflict, so as to ensure uninterrupted production.

The strategy of industrial development followed in India was in line with the Industrial Policy Resolution of 1956, with distinctive roles to be played by public, private and joint sectors. However, the policies followed by the government underwent structural changes in the 1980s with a paradigm shift from a controlled, regulated and protected economy to a liberal, privatized, global economy, having highly disquieting effects on the economic life of the country. The process of liberalization initiated from 1980s culminated in the announcement of the New Economic Policy beginning from July 1991, especially structural policy changes with respect to industrial sector. These policies have far reaching consequences for labour and industrial relations in the country especially in the context of the growing demand from employers and industry circles for reducing government intervention in labour market and dilution of labour laws on the ground that labour market rigidity makes Indian industrial sector less competitive. Consequently, the policies of liberalization and the structural adjustment have resulted in an overhauling of the industrial relations system in the country.

The industrial restructuring programmes have deleterious effects on employment and union power. The liberal economic policies have put organized labour in a critical juncture and are doubtful whether it would continue to play its prominent role in the industrial relations system. Growing international competition, corporate restructuring, increased mobility of capital, changes in
industrial relation policies, declining union membership and density and declin- ing collective bargaining coverage has significantly reduced union power. The managements have followed new strategies of segmentation of labour mar- ket into two as formal and informal, with the objective of reducing permanent workers by employing more casual, contract and other unprotected labour. Bulk of the production is organized through sub-contracting or through ancil- lary units. These strategies have the advantage of not only reducing cost, but greater flexibility in operation by shifting production to areas where labour is cheap and less organized or non-unionized. The net result is that liberal- ization lead to flexibility of labour through increased casualisation and con- tractualisation of work pushing an increased number of organized workers into unorganized sector, having serious implications on union membership, union density and union power.

The declining union power and the growing employer power has resulted in the creation of an atmosphere of job insecurity among workers, especially because of the flexibilization of labour. In a situation of declining union power, strike cease to be a weapon at their hands, because employers are keen to declare a lockout whenever workers are about to declare a strike, putting unions on the defensive. This has put unions in a vulnerable situation of unwillingly co-operating with management in order to protect the rights of workers. In the liberalized scenario unions are difficult to survive in their traditional role of conflict and have to shift their role from confrontation to co-operation, in the larger interest of workers.

As an important actor in the industrial relations system, government has been playing an important role in protecting the rights of workers, not only in India, but in almost all countries. Since structural adjustment and policies of liberalization which entails a lower role to state, governments have been
keen in the dilution of labour laws and do not want keep the ‘pro-labour’ image that governments in the past were proud of. In the liberalized global environment capital has become more mobile than labour, which is expected to flow to regions with lower restrictions and controls. This has opened new vistas for developing countries to attract Foreign Direct Investment (FDI) and developing countries are competing each other to attract FDI to participate in the developmental efforts of such nations. In this context, Governments in the post liberalization period are reluctant in improving labour protection measures as capital is likely to flow to regions with less labour regulations, thinking that it will put them in a comparatively disadvantageous position in attracting FDI.

Another prominent challenge in labour relations, which stems from the precarious nature of flexible labour, is the growing feminization of labour. The effort towards labour deregulation in 1980s not only resulted in an increase in the female labour force participation, but feminization of many jobs. Exploitatively lower wages are paid to workers in order to get competitive cost advantage in export market. Induced by getting a competitive cost advantage, especially in the export market, employers were vying for employing more female workers especially because they need to be paid lower wages as their “aspiration wages” are low, and they are less unionized and ready to work for longer time without agitating.

All these issues which emerged in the context of liberalization affect union density and union power, undermining the very collective bargaining process, with serious implications on industrial relations. In the backdrop of these issues a number of questions remain to be answered.

The most important question is that will unions continue to play their vanguard role in industrial relations? Together with it many subordinate questions
6. Summary of Findings and Conclusion

arise: Is there any tendency of declining union membership and declining union density in India as exhibited in many countries? How far are unions impacted by new economic policies? Is the collective bargaining power of unions badly affected during the period of liberalization? Are there any signs of declining interest of workers in union activities? Are there any signs of declining labour militancy? Are employers more militant than labour in the post liberalization period? Is there any change in the attitude of unions towards strikes? Are unions reluctant to give strike call in the post liberalization period? Do workers think that co-operating with management is better than strikes? In what ways flexibilisation of employment affect union membership? What are the important problems faced by flexible labour? Is there any tendency of feminization of flexible labour? Is the state withdrawing from a more active role in the management of industrial relations? What are the new roles of the state in industrial relations? etc.

The present study is an attempt to look at some of these pertinent issues in the backdrop of industrial development of a unique region of our country, namely, Kerala.

Being a state with a long history of working class mobilization and most organized than in any other state in India, industrial relations in Kerala has critical difference from the national scenario. As a state with the first democratically elected communist government, the state took active role in promoting industrial peace. However, the pro-labour credentials of the government infused an invitation to militancy. Accordingly labour militancy in the state escalated to new heights through 1960s and 1970s and politics of confrontation became the norm. The 1970s witnessed escalating number of industrial disputes in Kerala and the industrial relations remained adversarial with a period of heightened labour militancy, even leading to the slowing down of industrial
growth especially during 1975-85. The growing labour militancy kept investors away from the state precipitating a crisis of accumulation marked by stagnant levels of private investment and increasing levels of unemployment.

However, the state has witnessed a reversal in the outlook of political leaders and trade union functionaries, during the past two decades. The political leaders agreed to the fact that the state has remained industrially backward mainly due to their faulty approach towards development. The statement given by one State Planning Board document is worthy to restate here, that ‘the era of militancy has come to an end’. The New Economic Policies and the resultant changes in the attitudes, policies and programmes of unions in the state have an important bearing on the current state of industrial relations. In this context it is significant to examine the implications of liberalization on industrial relations in Kerala.

### 6.2 Objectives of the Study

The general objective of the present study is to analyze the industrial relations scenario of Kerala in the context of liberalization. The specific objectives are:

1. To study the impact of New Economic Policies on trade unions and thereby on industrial relations.

2. To evaluate the post liberalization phenomenon of declining power of unions in the collective bargaining process.

3. To study the impact of liberalization on strikes and lockouts and thereby on industrial relations in the state.

4. To study the changing attitude of workers and unions towards strike.
5. To make a comparative study of labour militancy and employer militancy in Kerala in the context of liberalization.

6. To analyze the post liberalization trend towards flexible employment practices in the state and its impact on unions and industrial relations.

6.3 Hypotheses

Taking into consideration the objectives stated above, a set of hypotheses have been formulated. Following are the hypotheses set to study the dynamics of trade unions in the post liberalization period.

1. Trade union density in Kerala do not exhibit any growth trends in the post Liberalisation period.

2. Trade union power and strength has not declined during the post- liberalization period.

3. Strikes and lockouts in Kerala remain unaffected by the policies of liberalization.

4. Unions are not reluctant to give a strike call in the post liberalization Period.

5. The labour militancy and employer militancy in Kerala remain unchanged during the post-liberalization period.

6. Trade union membership in Kerala is not impacted by flexible employment.
6.4 Methodology

The study is based on multiple sources of data. Primary data has been collected from the population consisting of all those who are directly involved in the process of production in the organized industrial sector of Kerala. Considering the heterogeneous character, the population has been stratified into three homogeneous groups viz., workers, trade union leaders and management personnel. While primary data have been collected from workers using Direct Personal Interview method administering a pre-constructed interview schedule, the focus group interview method was used to collect information from trade union leaders and management representatives using two separate interview schedules. In the preparation of interview schedule, special care has been taken to include questions relating to ‘Decent Work’ Indicators (DWI) identified by the ILO.

Considering the vastness of the universe of the study, sampling technique has been used for collecting primary data. In order to give equal representation, three industrial undertakings belonging to Central Public Sector, State Public Sector and Private Sector, employing 500 or more workers were selected at random from the list of large scale industries in the state maintained by Kerala State Industrial Development Corporation (KSIDC). Accordingly, Hindustan Life Care Limited (HLL), (formerly Hindustan Latex Limited), Peroorkada, Thiruvananthapuram, in the Central PSU category; Travancore Titanium Products Limited (TTPL), Veli, Thiruvananthapuram, in the State PSU category; and Apollo Tyres Limited (ATL), Perambra, Thrissur, belonging to private sector were selected as sample units.

As mentioned above the respondents were stratified into three as workers, trade union leaders and management personnel and the method of stratified
random sampling has been used for selecting the sample. The sample workers were selected using proportionate random sampling method. Focus group interview method was used for collecting information from trade union leaders and management personnel. The sample from union leaders and management was restricted to president and secretary of recognized unions in the three units and two management representatives each from three units.

Different sets of data from secondary sources have also been used for the study. Data on different aspects of industrial relations were collected from the publication of Labour Bureau, Shimla, under the Ministry of Labour, and from the Official Annual Survey of Industries (ASI), published by CSO. State level data on industrial relations were collected from the Office of the Labour Commissioner and from the publications of the statistical wing of Labour Department, Thiruvananthapuram. Data on different aspects of employment and industrial relations were also collected from the documents maintained by respective sample units.

The data has been analyzed using both parametric and non-parametric techniques. Statistical techniques like ANOVA, Co-Integration and Chi-square have been used wherever necessary. The Logit model of qualitative response regression, dummy variable regression, correlation coefficient, trend growth rates, percentage growth rates etc. are also used in the study. Descriptive statistical values like mean and standard deviation was used to determine the most popular variable and in determining the reference category in the cases where dummy variable regressions were applied.

6.5 Summary of Findings

The findings of the study are summarized at three levels on three important aspects of industrial relations in the post-liberalization context; dynamics of
trade unionism, impact on collective industrial action and flexible employment and externalisation of labour relations on which this study has focused on. At the first level a summary of the findings of earlier studies compiled from the review of related studies is attempted, followed by the summary of findings based on secondary data at the national and state level. Lastly, a summary of findings on the basis of the data collected from sample units has been attempted.

6.5.1 Summary of Findings of Earlier Studies

Most of the studies found that with the intensification of restructuring unions are experiencing major challenges in almost all countries during the post-liberalization period. There has been a steady decline in the number of trade unions and union memberships are on a terminal decline and there have been strategic changes in the attitudes and functioning of trade unions. Unions have to fight not only against militant employers but also against the anti-labour policies of the government. The growing size of informal sector and the informalisation of formal work make such jobs less secure and the informal workers are not ready to take the risk of involving in union activities, causing a decline in union membership.

The declining union membership has weakened the bargaining strength of unions by weakening the power of unions, which made it easier for employers to restructure without the involvement of unions. While some companies adopt strategies to marginalize the influence of unions, others pursue union exclusion polices, putting unions in a situation difficult to protect the interests of workers. This has even resulted in the low involvement of workers in union activities during the post-liberalization period.

A profound and perceptible change in the attitude, plans and programmes
of unions are visible in the post liberalization period. Unions find it difficult to survive in their traditional role of hostility and conflict and are forced to shift to the role of cooperation and collaboration of increasing productivity and quality, so as to protect the jobs of its members.

A newer tendency especially during the post-liberalization period is the shift in focus from national level unions to enterprise level independent unions. Such unions, which are independent and non-political in nature concentrate more on enterprise level issues, exert greater pressure on national trade unions in terms of membership and workers involvement in union activities. The strike at Maruti’s Manesar plant and the lockout declared at the plant in lieu of the problems during July 2012 is an example of the growing influence of enterprise level independent unions.

Regarding industrial conflicts, earlier studies pointed to the inevitability of industrial conflict because of the divergent and conflicting interests of labour and capital. While economic factors dominated the causes for disputes during the pre-liberalization period, non-economic factors like retrenchment, job security, working conditions etc., dominate disputes during the post-liberalization period.

During the post-independence period, especially during the periods before liberalization, while labour was more militant, the post liberalization period witnessed growing employer militancy. While strikes dominated industrial disputes during the pre-liberalization period, lockouts outnumber strikes in the post-liberalization period. The share of man-days lost in work stoppages in India due to lockouts which were nearly 8 per cent during 1961-64 increased to more than 39 per cent during 1990s, showing growing militancy of employers.

Unions are found to be reluctant to give strike calls for fear of closure and relocation of factories, for they attach more importance to the security of
jobs of workers. They are put in a dilemma of cooperating with management in order to protect the interests of workers, rather than fighting with the management.

At the global level manufacturing industries are seeking greater flexibility by separating core activities that are managed by regular workers from a periphery called flexible workers consisting of contract workers, part time workers, temporary workers etc. This has led to increased casualisation and informalisation of labour displacing better paid, protected workers and increasing insecure, low-paid employment. Increasing casualisation and contractualisation is found growing at a faster pace in India and managements are hiring contract labour to do regular jobs.

The post liberalization period has witnessed increasing casualisation of labour which has led to a fall in jobs in the organized sector. This trend in the growing size of informal employment is a major challenge to unions and increases trade union’ agony as informal workers with little or no job security is not ready to take the risk of involving in union activities. This has weakened trade union membership and union density, and weakened collective bargaining structure.

Even though trade union response to labour flexibility measures is not favorable, unions are not capable of resisting it in the greater interest of industry. Many studies found that unions accepted VRS, technological modernization and restructuring and they were not a hindrance to introducing flexibility measures, especially when unions are given a no-retrenchment assurance by the management.

Instances of labour management conflict and tension have been reported from several countries due to the efforts towards increasing flexibility. Studies pointed to the possibility of new social tensions in the workplace due to the
mixing of regular and flexible workers. The strike and the resultant violence at Maruti’s Manesar plant during July 2012 is largely the result of such a tension generated by the contract workers.

At the policy level, governments and policy makers, in their urge for attracting more Foreign Direct Investment are vying for greater flexibility in employment and reforming rigid labour market laws in order to get a competitive edge in attracting potential investors.

6.5.2 Summary of Findings based on Data from Secondary Sources

Organized labour which reached the apex of growth in most of the countries with considerable influence in national politics, especially in the capitalist democracies of Europe, North America and Japan, reached a critical stage by 1980s. Data on union membership and union density shows a progressive decline in industrialized countries during the last three decades. While most of the developed industrialized countries experienced steep decline in density, countries like Denmark and Sweden registered positive growth in density during the period.

The trade union density, the relative measure of unionization, which provides an idea of the degree of unionization, is a comparative figure of union power. The secular trend in union density in India over the period 1981-2006 remain stagnant indicating a waning union power and influence over the period, as at the international level. The highest level of union density of 35.80 per cent was recorded in 1989, the pre-liberalization period, and the lowest level of 11.53 per cent was recorded in 1993, the post liberalization period.

The general decline in union membership witnessed in India and in global economies as a consequence of liberalization was felt in Kerala after 1995. The
lowest union density of 11.75 was recorded for the year 1989, the year immediately preceding liberalization. While over the period 1982-2004 the highest density of 70 per cent was recorded in 1986, the pre-liberalization period, the lowest density of 15.61 and 24.68 was recorded during 1991 and 1998, the post-liberalization period. Even though liberalization has some impact, union density in the state has always been far higher compared to All India figures. The long term trend in union density in the state does not suggest any significant upward movement over the year 1982-2004.

The conflicting interests of labour and capital often result in industrial disputes leading to industrial action. Strikes and lockouts, which reflects the dimensions of industrial relations scenario, is the most convincing manifestation of industrial conflict, which is used by workers and employers as a weapon to press for their demands. The data on work stoppages (strikes and lockouts taken together) in India showed a free fall from 2488 work stoppages in 1983 to 430 in 2006, a decline of about 478 per cent over a period of 24 years. However the number of workers involved per work stoppage and the number of man days lost per work stoppage continued to increase, pointing to the increased participation of workers.

Kerala has been referred by many writers as one of the most unionized and labour militant states in India. A sharp decline in industrial disputes from 118 in 1980 to 35 in 2006, a drop of about 290 per cent over a period of 26 years, is really a pointer to the turn-around in militancy in the state. Contrary to this, the secular trend in workers involved and man-days lost in disputes in Kerala clearly shows an upward movement.

The post liberalization period in India witnessed the growing phenomenon of lockouts over strikes. The share of man-days lost in lockouts which were 52 per cent of total man-days lost in lockouts increased to 89 per cent in 2003.
Contrary to this, the share of man-days lost in strikes declined from 48 per cent in 1992 to 11 per cent in 2003. The increasing phenomenon of lockouts after liberalization has completely changed the industrial relations scenario.

The industrial relations climate of Kerala was dominated by strikes during the pre-liberalization period. Many studies presented Kerala as one of the most strike prone regions in the country. The post liberalization period had witnessed a steep fall in labour militancy and a resurgence of employer militancy in the state. This is evident from the data on strikes and lockouts. Strikes which were 86 per cent of total disputes in the state in 1980 declined to 10 percentage of disputes in 2007. However, lockouts which constituted only 14 per cent of disputes in the state increased to 90 per cent of total disputes during the same period.

The individual intensity of strikes (average number of days a worker was involved) which was 29.67 days during the pre-liberalization period (1981-90) declined to 23.37 days during the post-liberalization period (1991-2009). However, the individual intensity of lockouts increased from 67.42 days during pre-liberalization period to 127.82 days during post-liberalization period. These figures very clearly points to the situation of declining labour militancy and growing employer militancy during the post-liberalization period, highlighting the increasing vulnerability of workers due to falling power of unions and increasing power of employers.

Labour markets which were protected and regulated with labour legislations were viewed by reformists and neo-liberals as counter productive and distorted development. Labour market flexibility was presented as a solution to the rigidity in labour markets arising out of job security regulations, which became the global euphemism. Large business houses responded to global competition by developing flexible labour policies with the objective of reduc-
ing costs. The principles of job security, life-long employment and promotion by seniority were replaced by short term and low security contracts. The use of more contract labour is the important source of flexibility in Indian manufacturing sector. Flexible employment practices have far reaching impact on trade unions and industrial relations system.

Significant increase in the non-standard employment has been happening in India especially during the post liberalization period. The flexible labour which was 9.9 per cent of total labour in 1987-88 increased to 30 per cent in 2006-07, registering a growth of 67.7 per cent over the period 1987-2007. A comparative analysis of flexible employment in India shows that public sector recorded the highest growth rate of 75.7 per cent followed by 53 per cent in the private sector and 47 per cent in the joint sector.

The absolute number of contract workers in India increased from 421361 to 2364034, a growth rate of 82 per cent over the period 1987-2007. While public sector registered steepest fall of 966 per cent in the number of contract workers over the period 1987-2007, joint sector showed a drop of about 57 per cent over the period 1999-2007. The highest percentage growth of 85 per cent is exhibited by the private sector.

Even though flexible employment practices were not so popular in Kerala during the pre-liberalization period, flexibility was brought to labour market in the state through casualisation displacing better-paid, protected workers and increasing the insecure and low paid employment. As a consequence of reforms, production is shifted from high wage organized sector to low paid unorganized sector, through ancillarisation, outsourcing, contracting out, flexible production etc., resulting in a situation of jobless growth. The percentage of contract labour in Kerala increased from 1.9 per cent of total workers in 1987-88 to 14.15 per cent during 2006-07. While overall growth in contract
labour in Kerala was 87 per cent over the period 1987-2007, it was 67.7 per cent at the All India level. It shows that there has been tremendous growth in flexibilisation of employment in Kerala in the post liberalization period.

In Kerala also private sector continues to be the largest employer of contract labour. While the percentage of contract labour in the public sector in Kerala decreased from 54 per cent in 1987-88 to 3.2 per cent in 2007-08, in the case of private sector it increased from 46 per cent to 94.5 per cent during 1987-2008.

The growing size of informal employment is a challenge before existing unions. The contract labour in Kerala has showed a tenfold increase over the period 1987-2006. While union membership declined by 14 per cent, the number of contract workers increased by 90 per cent over the period 1987-2006, pointing to the weakening of trade unions in the state due to flexibilisation of labour.

6.5.3 Summary of Findings Based on Primary Data

The time series model of trade union membership in Kerala shows that organized sector employment and the magnitude of work seekers has a significant influence over membership. The magnitude of work seekers has a positive influence on union membership. As the reservoir of unemployed increases it becomes easier for managements to reduce the number of permanent workers by recruiting more casual and contract labour. In order to form a strong defensive against this, workers become more unionized and united.

Workers response to the reasons for joining unions shows that restructuring and liberalization has transformed the policies and programmes of unions as their very existence was under threat. Accordingly workers unity and strength and job security is accorded highest priority for joining unions.

The study has found a general decline in worker’s interest in union activ-
Summary of Findings and Conclusion

6. Summary of Findings and Conclusion

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expressed by right wing and left wing trade unions on the issue of co-operating with management, majority of workers subscribe to the view that co-operating with management is better than strikes.

The weak power of unions in collective bargaining is the result of growing flexible employment, which is evident from the northward movement in flexible labour in all the three sample units studied. The percentage of flexible labour to regular labour in the three units taken together increased from 22.5 per cent in 2001 to 65.8 per cent in 2011. While flexible employment in the sample units increased from 912 in 2001 to 2478 in 2011 registering a growth rate of 63 percent during 2001-11, the union membership declined by about 4 per cent over the same period.

In order to take advantage of the wage differential between regular and flexible labour which works out to be 300 per cent at the bottom line, the policy of non-filling of retirement vacancies are generally followed, which is otherwise managed by flexible labour. In addition to exploitatively low wage level, absence of other benefits and worker protection schemes are found to be most prominent problems faced by flexible labour. Since these labour are not part of any unions recognized by management, they are virtually denied freedom of association, one of the important social dialogue indicators. Since majority of workers fall in this category, the determination of wages and terms of employment are external to the system, leading to externalization of labour relations.

6.6 Implications for the Future

Significant changes are taking place in the industrial relations scenario of Kerala. As a state with poor industrial base and almost stagnant manufacturing sector, the positive changes in the industrial relations in the state is expected
6. Summary of Findings and Conclusion

to change the state’s investment environment. A major development in the post liberalization period has been the continuous fall in union membership leading to the drastic decline in union power in relation to employers. With the introduction of greater flexibility in the name of attaining competitiveness, efficiency and cost reduction, union membership is expected to decline further. With the declining power of unions, managements become resurgent, marginalizing the role of unions and minimizing their power and effectiveness. It is expected to further reduce the scope of collective bargaining, one of the important institutions in the industrial relations system. The trade unions will have to focus more on the basics of organizing, leading to a healthy trade union movement.

A very significant change in the attitude of workers and union leaders is evident in the post liberalization period. Unions are found to have taken the stance of giving up the confrontationist attitude with the management. Instead they are shifting to a more cooperative attitude for securing recognition from the management so as to establish procedures for grievance handling, so that all issues and disputes can be settled peacefully through recognition and consultation. It also has the serious implication on the future course of industrial relations in the state as industrial disputes leading to strikes and lockouts are expected to register further decline, resulting in more cooperative industrial relations.

Trade unions realizing the compulsions of the market and the realities of changing environment have to adapt themselves to the new environment, without moving away from their basic objective of protecting the interest of their members. Realizing the market conditions and the competitive environment in which companies operate, unions will have to be more receptive to the introduction of new technology and the efforts towards the introduction of greater
Multiple union structures existing in Kerala and at the national level weakens the trade union movement. Merger of unions has been suggested as one of the important labour revitalization strategy. Talks of merger of unions in India with Marxian ideologies have been going on, especially between CITU and AITUC, which has not materialized so far. Even though merger of ideologically incompatible unions could be disastrous, in the near future there could be the merger of at least some of the unions belonging to right or left wing political factions or at least the cartelization of unions.

Unions in general are in a situation of struggle for survival. Their future depends on their ability to influence the policies of the government and approach of employers towards industrial relations. The success of unions in attracting more members will depend on their success in convincing workers the need for joining and strengthening unions. Unions will have to concentrate more on career and skill advancement programmes for the benefit of members and enterprise.

The regaining of power and control by the employers are expected to lead to a situation of de-recognition of unions. Even though it is not evident in India like many other countries, the signs of efforts towards de-recognition of unions by the management leading to strikes has been reported. The basic issue behind the strike at Maruti’s Manesar Plant has been the de-recognition of a union by the management. With the resurgence of the power, employers of many organizations are expected to further reduce their labour force, without much resistance from the unions. This has been achieved by the employers by introducing voluntary retirement schemes (VRS) and similar early retirement schemes.

As an important actor, state has been playing an important role in the
industrial relations system in the state. Dominant shifts in macro economic policies have raised the question of whether the state is withdrawing from a more active role in the management of industrial relations. Even though apparent changes are not visible in the labour laws and industrial relations policies, many state governments have simplified labour inspection and the tripartite role in industrial relations, leading to a belief that governments are going to be more employer friendly and conversely labour unfriendly.

Unions have to take the challenge of organizing the unorganized, especially in the informal sector. Many of the workers whom trade unions find at the workplace would not be easy to organize for they are either part-timers or contract workers or belong to any one of the flexible category. If the unions fail to prevent the downturn of membership, the proportion of workers covered by collective bargaining would fall even below fifty per cent of workers, as seen in the case of sample units studied. Further decline in the membership and power of unions will make employers more powerful, which will change the very tone of relation between employers and employees. In such cases industrial relations may apparently look cordial but will continue to be adversarial.

6.7 Issues for Further research

As an important challenge to unions and collective bargaining process non-standard employment is growing to be very common such that distinctions between standard and nonstandard jobs are becoming less precise. Kerala was considered as a highly unionized state and strong resistance by unions towards employment of flexible labour was considered as the reason for non-popularity of flexible employment in the state. The present study has found that non-standard employment is growing faster in the state. To probe deeper into the issue, new research is needed to identify the sectors and industry groups
which are employing more nonstandard labour and its impact on trade union movement.

The 1980s labeled as the decade of deregulation has marked a surge in feminization of labour. The precarious nature of contingent labour makes them more vulnerable to exploitation, especially because their ‘aspiration wages’ are very low. As a state with a sex ratio favourable to females, the issues related feminization of labour especially in the unorganized sector, is to be deeply probed with separate research on the area.

The declining role of state in industrial relations during the post reform period is being hotly discussed. Many scholars raised their eye brows on the issue of the probable withdrawal of state from industrial relations management. Even though explicit changes in labour policies are not evident, further research is required to find out whether labour market and industrial relations reforms has kept pace with macroeconomic liberalization and policy changes in the country.