

CHAPTER 1

INTRODUCTION

During the last two decades, industrial relations have emerged as one of the most important and fundamental issues affecting the life of every one. The terminology has grown so wider that a precise definition of the term "Industrial Relations" has become difficult. "Industrial Relations" should not be taken as one, which denotes union-management relations operating within the spectrum of industrial peace or conflict.... "An industrial relations system at any one time in development is regarded as comprised of certain actors, certain contexts, an ideology which binds the industrial relations system together; and a body of rules created to govern the actors at the work place and work community".⁽¹⁾ The industrial revolution and the social revolution witnessed during the last two decades have made the industrial relations a complex and subtle problem. The exploitation of labour still is a major problem, which requires to be tackled. In spite of existence of legislative provisions, the victimization of labour

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1. Dunlop, J.T. Industrial Relations System.
(New York - Henry Holt & Co. 1958).

continues. The conflict between labour and capital has not found a remedy so far. Collective bargaining is yet to take firm roots in the Indian Industrial Relation System. It is a fact that, in labour relations what is called the freedom of the worker to contract with his employer about wages and conditions, may, especially if the worker is in a dependant position owing to the state of the labour market or his personal circumstances for example, as an immigrant be a legal mask of unfreedom, of the need for accepting the 'diktat' of the employer.⁽¹⁾ Industrial relation system in our country rests heavily on compulsory adjudication as against collective bargaining system adopted by most of the developed countries. It is an admitted fact that law could not contribute much for improving the industrial relations, but the law cannot be placed outside its domain which affects more than two-third of the human race. Industrial Relations Centres at Harvard, Princeton, Chicago, California, and Hawaii Universities and their Inter-University Projects have made substantial research on industrial relations.⁽²⁾ These researches have been carried on more from the economic point of view and to my mind, legal researches in this field are very limited. In India also wide-ranging studies in the field of industrial hygiene, industrial medicine, industrial physiology, and industrial economics etc., have been

1.Kahn Freund Otto - Labour Relations - p. 69
Stevens (1979).

2.Nair Ramachandran, K. - Industrial Relations in
Kerála - p. 2 - Sterling (1973).

carried out by the Central and Regional Labour Institutes. The Labour Research Centres established at Bombay, Delhi, and Lucknow, have substantially contributed for developing a healthy industrial relations by taking up several case studies on industrial relations for research. However, it has been said that the greatest limitation has been the shortage of regional studies.⁽¹⁾ While writing a foreword to a book on Industrial Relations, Justice J.M. Shelat observed,⁽²⁾ "The two conflicting ideologies raise at the very threshold of a study of industrial relations the question as to the scope of industrial relations. Are they to be confined to the amelioration of the working conditions of the workmen, to the prevention of their being exploited by the superior power of the employers, to the ensuing socio-economic justice, to the ultimate establishment of relations of co-ownership in the industry and eradicating the sense of injustice and psychological frustration of being destined for ever to be liable to drudgery? or, are they to aim at the training of workers as a militant instrument to confront the employers as a class in the ultimate showdown between the two and the forcible take over of all means and sources of production and distribution so far usurped by the employers?". It is true that the conflicts are continuing but 'right is

1.Nair Ramachandran, K. - Industrial Relations in Kerala
p. 3 - Sterling (1973).

2.Majmudar Parekh - 'An Anatomy of Peaceful Industrial
Relations' (N.M.Tripathi - Bombay, 1973).

might' can not be the better policy to establish harmonious industrial relation. The word 'relation' impregnates the idea of a healthy atmosphere and discards militancy. It is noticed that the present system adopted in our country to solve the industrial conflict is not geared to satisfaction. The machinery and the technique adopted in this regard have not been very successful to achieve the desired objectives.

It is in this perspective, a regional study of industrial relations in Pondicherry which had the privilege of having French Industrial Relations System for nearly one hundred and fifty years, has been undertaken. The Industrial Relations in Pondicherry, was unique in many ways and the analysis of the model of industrial relation system ^{that} prevailed in Pondicherry may prove to be a boon to improve the industrial relations machinery existing in our country, which has been riddled with procedural wrangles and adversary techniques.

Pondicherry which had its own historical past and which is known ^{as} "Window of French Culture", was an important trading centre in the coromandel region even in the first century of the Christian era. 'Arikamedu' situated at about four miles away from Pondicherry was an important trade port and also a centre of trade with the Graeco-Roman World and the relics recovered from it include pottery and other objects of known origin and

date (details are mentioned in Chapter 2) from the much studied Mediterranean area.⁽¹⁾ Narration in 'the Periplus of the Erythrean Sea'⁽²⁾ strengthens the point further which points out that among market towns of these countries and the harbours, where the ships put in from Damirica and from the north, the most important are, in order as they lie first Camera, then Poduca, then Sapatma, in which there are ships of the country coasting along the shore as far as Damirica. The three port towns have been respectively identified with Kaverippattinam at the mouth of river Kaveri (Thanjavur District), Pondicherry and Marakkanam (south Arcot District) called Sopattinam or Eyitpattinam in Tamil literature.

The excavations carried out in 1945 under Dr Martin Wheeler, the well-known French Archaeologist produced a firm and widely applicable datum for the Associated Local Culture. Among the important structural evidences recovered from the Arikamedu excavations were a substantial brick structure, evidently a warehouse and another series of tanks of 'dyeing vats' apparently for carrying on a textile trade of some significance. The material found at the site clearly evidences the industrial activity carried out in the area during the period from A.D. 50 to 200.

French were attracted to this place, obviously because it could be one of the important trade ports in the 'coromandel

1. Ancient India - Bulletin of the Archaeological Survey of India (No.2 - July 1964) p. 2.

2. Wilfred H. Shroff - The Periplus of the Erythrean Sea (Translated).

region'. Tamil literary work 'Pathu Pattu', Silappadhikaram' also give a clue as to the area which was considered highly potential for carrying out industrial activity. During the French period, from the beginning of this century the textile industries reached their heights for having well planned their products in the foreign markets. The import of French Industrial Relations System, especially in regard to settlement of industrial disputes is still found even though Labour Legislations of India have been made applicable to Pondicherry from 1 October 1963. The judicial officers, who have been educated under the French legal system and who were administering French law for number of years continue to preside over the labour courts and labour tribunals in Pondicherry and the influence of French legal system on these judicial officers is quite evident in their pronouncement of Labour Awards.

1.1 The Object and Scope of the Study

The object of the present study is to trace out the historical background of Pondicherry with a view to understand its commercial potentiality earlier existed and the reason why, the Dutch, the Portugese, and the French, established trading port at Pondicherry and later, the French converted it as their capital. The study also is aimed at analysing the industrial relation system existed at Pondicherry during the French regime,

which is said to be unique in many respects. The present system of settlement of industrial disputes in India has admittedly failed in maintenance of co-operation between employer and employees and the system has been riddled with several procedural wrangles. The study is therefore focussed to find out the relevancy of the experience gained at Pondicherry during the period of French rule in the industrial arena to the present industrial relation system and to suggest ways and means for improving the system.

Though, it is a regional study, it encompasses the industrial relations system developed under the celebrated continental system, when the remaining part of the country was governed under the Anglo-saxon System. Since there are very a few regional studies on industrial relations with a legal perspective, it is felt that this thesis would help to fill up the gap to some extent. Further, the present study is aimed to enlighten the characteristic and peculiar feature of the industrial relations system as it has evolved in this part of the country.

1.2 Hypothesis

Two sets of hypothesis are formulated as a convenient starting point for the study of industrial relation system that

existed during the French regime and in the present period. The first set relates to the various measures, which contributed for the maintenance of harmonious industrial relations under the French regime at Pondicherry and second set relates to system existing at present, which is akin to the system prevailing elsewhere in the country.

The first set of hypothesis is based on the concept of Karl Marx that the conflict between the labour and capital is a continuing phenomena and unless there exists proper and efficient mechanism for settlement of labour disputes, industrial harmony and peace shall not prevail. The second set of hypothesis is based on the fact that the present system influenced by the Anglo-saxon pattern is marked by cumbersome procedures and delay in disposal of cases. As such, with a view to examine the above facts in depth and to compare the two systems, sub-hypothesis are formulated.

The system introduced by the French to settle the industrial disputes has reposed confidence both in the workers and employers. Opportunities were thus given for them to have their representatives elected to adjudicate their own disputes. This unique system has to be analysed as to how it could be possible to have no bias in settling their own disputes. Discretionary powers are used to arrive at equitable settlement. Sub-hypothesis are formulated to study the mechanism of

settlement machinery. A comparative study is proposed to be attempted to study the drawbacks in the present system with a view to arrive at findings.

1.3 Methodology

The data for the study is drawn both from the secondary sources as well as primary sources. The presentation of the historical, institutional, and theoretical background to the industrial relations system is based on the materials published in the Government Gazetteer and also other published works in the field. Primary sources include unrestricted interviews with the judicial officers trained under the French system, labour leaders and some of the enlightened workmen. The secondary sources include annual publications of the Labour Bureau viz., (i) Indian Labour Statistics, (ii) Indian Labour Year Book, (iii) Industrial Accidents Study Reports issued by the Director-General, Factory Advice Service and Labour Institutes, Government of India, Ministry of Labour, Accident Reports available with the prescribed authorities, (iv) Various reports of committees and commissions appointed by the Central Government as well as the Government of Pondicherry from time to time. The data collected from the Government Gazettes and other statistical reports are used as illustrations of ideas in the thesis wherever necessary.

1.4 Limitations

At this stage, it is necessary to emphasize certain limitations of this study. First of all, the study has been confined to Pondicherry region only which was an overseas territory and as such the entire French industrial relation system could not be studied. The second limitation relates to non-availability of adequate and reliable statistical data in regard to functioning of the trade unionism at Pondicherry during French regime. As such, the study had to be confined to the technique and the machinery of settlement of labour disputes adopted to maintain harmonious industrial relation. However, the best use of the available material is made in order to make the study purposeful.

1.5 Plan of the Thesis

The present study comprises of seven chapters. The first two chapters deal with introduction and evolution of trade and industries in Pondicherry. These chapters are intended to present the nature, objective and scope of the study, hypothesis formulated, methodology adopted, and the historical background of Pondicherry which had wide potentialities to be a trading port and was considered as an important port in the east coast. Besides, the evidences which have been now made available by excavation carried out to prove that a great civilization

existed in and around Pondicherry as a great industrial potential also have been incorporated in these chapters.

The next two chapters on industrial relations during French period give an analysis of various measures introduced by the French to improve the industrial relation system and settlement machinery adopted by the French to arrive at peaceful settlement in a congenial atmosphere. Besides, these chapters also narrate the impact of India's independence on the industrial relation existed at Pondicherry.

In the fifth chapter, the position prevailed at Pondicherry after the de-jure merger of the territory with the Union of India has been discussed mainly highlighting the continuation of the French influence in settlement of labour disputes. To drive the point home, two significant disputes pertaining to two textile mills settled by the Arbitration Committee constituted for the purpose and two disputes settled by the Labour Courts have been discussed. In this chapter, the efforts made by the Government of Pondicherry to improve the efficiency of labour vis-a-vis service conditions of worker with a view to restore the good industrial relation system existed during the French regime also have been discussed.

An attempt has been made in the sixth chapter to point out the defects in the existing Indian industrial relation system,



which is also followed at Pondicherry at present and a comparison is made to the earlier existing French system with a view to justify the relevancy of Pondicherry experience gained during French regime to India.

The last chapter relates to the findings, suggestions, and conclusion.