



MODULE 1

LECTURE 3

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Contents

- Evolution of IR in India



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Evolution of IR in India

- The Protective Phase (1947-1956)
- The Consolidation Phase (1956-1965)
- Conflict Ridden Interventionist phase (1967-1980)
- The Productivity- Efficiency- Quality- Orientation phase (1981-1991)
- The Post Reform Decade (1992-till now)

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The Protective Phase

- The protective phase (1947-66; 1st & 2nd five-year plans):
- Import-Substitution Industrialization.
- National capitalism
- Economy grows @ 2%-3%/year.
- Formation of large employment- intensive public enterprises.
- Largely centralized bargaining with static real wages. Relative industrial peace.

Conflict Ridden Interventionist Phase

- Conflict Ridden Interventionist phase (1967- 80; 4th & 5th five -year plans):
- Economic stagnation.
- Economy grows at @ 2%/year
- Considerable slowdown in employment growth & declining real wages.
- Crisis in IR system: massive strikes & industrial conflict, multiple unionism & decline in strength.
- Government loosing control over the IR system

The Consolidation Phase(1956-1965)

- There should be no lockout or strike without notice.
- No unilateral action should be taken in connection with any industrial matter.
- There should be no recourse to go slow tactics.
- No deliberate damage should be caused to plant or property.
- Awards and agreements should be speedily implemented.

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The Productivity- Efficiency- Quality- Orientation Phase

- The productivity- Efficiency- Quality- orientation phase (1981-91; 6th & 7th five- year plans):
- Initial domestic economic liberalization; economy grows @ 5.7%/year.
- Regional variation in economic development increases.
- Variation in wage growth: skilled versus unskilled, labor productivity increases, period of jobless growth.
- Rise of independent enterprise.

The Post-Reform Phase

- The Post-Reform Decade, 1992-2009
- Stabilization & Structural Adjustment Reforms: Economy grows @ 6.2%-6.5%
- In the five years (2004-09) growing @ 7%- 8%/year.
- Regional variation increases massively.
- Max growth in services: IT, IT-enabled services, hotels, trade & restaurants but also in autos & ancillaries; more recently in overall manufacturing.

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