

**COLLECTIVE BARGAINING
AN ESSAY ON
THEORIES AND PRACTICE**

Dissertation in part fulfilment of
M. Phil. Degree Course of the
UNIVERSITY OF POONA

Submitted by
K. P. R. SESHAGIRI RAO

Gokhale Institute of Politics and Economics

POONA - 411 004

1978-79

**COLLECTIVE BARGAINING : AN
ESSAY ON THEORIES AND PRACTICE**

**DISSERTATION IN PART FULFILMENT
OF M.PHIL. DEGREE COURSE OF THE**

UNIVERSITY OF POONA

SUBMITTED BY

K.P.R. SESHAGIRI RAO

GOKHALE INSTITUTE OF POLITICS AND ECONOMICS, PUNE

1978-79

ACKNOWLEDGEMENTS

I would like to express my deep indebtedness to Dr. G.N. Rao, my Dissertation Guide, who helped me in various ways all through my work. I take this opportunity to record my deep sense of gratitude to him.

I am equally grateful to Prof. V.M. Dandekar, Director, Gokhale Institute of Politics and Economics, Pune, for providing me with all facilities and for offering me a Junior Fellowship.

I am especially grateful to Prof. Tippa Reddy, and Prof. Raghuram of Osmania University for their valuable suggestions.

I am immensely thankful to Shri V.N. Inamdar who has very kindly accepted the typing work at a very short notice and did the job well. I gratefully acknowledge the help received from the Servants of India Society's Library Staff.

Help and cooperation received from my colleagues and from my better half, Ranganayaki, are also acknowledged with thanks.

Gokhale Institute of
Politics and Economics,
Pune-4.

K.P.R. Seshagiri Rao

June 30, 1979

CONTENTS

	<u>Page</u>	
ACKNOWLEDGEMENTS	(1)	
LIST OF TABLES	(111)	
INTRODUCTION	(iv)	
 <u>Chapter</u>		
I	COLLECTIVE BARGAINING: CONCEPT AND THEORIES	1
II	COLLECTIVE BARGAINING IN THE U.S.A.	24
III	COLLECTIVE BARGAINING IN INDIA	37
IV	COLLECTIVE BARGAINING VERSUS GOVERNMENT REGULATION	52
V	SUMMARY AND CONCLUSIONS	67
BIBLIOGRAPHY		79

LIST OF TABLES

<u>Table No.</u>		<u>Page</u>
1	Industrial Disputes, Workers Involved and Man-days Lost in India, 1951-1973	42
2	Particulars of Agreement	45
3	Trends in Money Wages and Real Earnings Per Worker.	50
A ₁ .1	Work Stoppages Resulting from Labour- Management Disputes from 1945 to 1972 in the U.S.A.	74
A ₁ .2	International Comparisons of Statistics Relating to Stoppages due to Industrial Disputes in Mining, Manufacturing, Construction and Transport	75
A ₂ .1	Total Number of Awards and Agreements Arrived at between the Managements and Labour from 1966 to 1977 in India	76
A ₂ .2	(Important) Agreements Arrived at between the Management and Their Workers relating to Duration Covering More Than 20 Workers : 1974 to 1977	77
A ₂ .3	Number of Awards and Agreements Arrived at between Management and Labour Relating to Causes	78

INTRODUCTION

The field of industrial relations has become thorny and complicated in the modern world. This is particularly so in capitalistic and semi-capitalistic Third World Countries. These societies characterized by a divorce between the workers and the means of production, acute poverty and inequalities of wealth and income, exhibit industrial disharmony in terms of strikes, lockouts, work stoppages and consequent loss of work-days. Though the developed Western World is not free from this industrial strife experience of life and force of circumstances taught them to evolve their own social and legal institutions to sort out their problems in the industry. One such socio-legal entity which has acquired a historical sanctity and proved its utility in the field of industrial relations is collective bargaining.

The present exercise addresses itself to certain basic questions such as the following: Can we draw any lessons from the experience of the industrialized countries of the Western world to tackle the thorny labour problems of the Third World Countries? How is it that the Third World Countries like India failed so far to emulate the West in evolving a suitable and effective system of institutions like collective bargaining to soothen the situation? Are there any special reasons for this state of affairs? If so, could we

think of any suitable remedies? These are the questions that come to one's mind.

The present study may be broadly divided into two parts. Part I deals with the conceptualization and a theoretical discussion of the various bargaining models and their scope and limitations in understanding the phenomenon. Part II deals with the experience of the U.S.A., the U.K. and India. The experience of the U.S.A. and the U.K. is analysed at length with a view to understand the relative success of the collective bargaining and the reasons thereof. This, viewed together with comparative failure of this socio-legal institution to make much headway in India would, it is hoped, make the issues clearer and the perspectives wider.