

The Industrial Disputes Act, 1947

Enacted in April, 1947, the Industrial Disputes Act, 1947 is a crucial legislation in India that aims to **regulate industrial relations** and **provide mechanisms for the resolution of disputes** between employers and employees to ensure peace and harmony.

Some important aspects of the Industrial Disputes Act are:

1. Definition of Industrial Dispute

→ The Act defines what constitutes an industrial dispute.

“ “Industrial dispute” means any dispute or difference between **employers** and **employers**, or between **employers and workmen**, or between **workmen and workmen**, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person.”

2. Authorities for Settlement

- The Act establishes various authorities for the settlement of disputes, such as **conciliation officers**, **boards of conciliation**, labor courts, and industrial tribunals.
- Industrial tribunals and labour courts play crucial roles in mediating disputes and adjudicating upon matters that cannot be resolved through *conciliation*.

*Conciliation is an alternative out-of-court dispute resolution instrument.

Conciliation is a voluntary, flexible, confidential, and interest based process. The parties seek to reach an amicable dispute settlement with the assistance of the conciliator, who acts as a neutral third party.

3. Provisions for Conciliation

- ➔ The Act emphasizes the importance of conciliation as a means of resolving disputes.
- ➔ It provides for the appointment of conciliation officers who attempt to reconcile the differences between the parties and facilitate the negotiation of settlements.

4. Regulation of Strikes and Lockouts

- ➔ The Act regulates the conditions under which strikes and lockouts are permissible. It outlines the procedures to be followed before initiating a strike or lockout, as well as the obligations of the parties involved during such actions.
- ➔ The Act also prohibits certain categories of workers from going on strike without prior notice.

“22. Prohibition of strikes and lock-outs.— (1) No person employed in a public utility service shall go on strike in breach of contract—

(a) without giving to the employer notice of strike, as hereinafter provided, within six weeks before striking;.....

23. General prohibition of strikes and lock-outs.—No workman who is employed in any industrial establishment shall go on strike in breach of contract and no employer of any such workman shall declare a lock-out—

(a) during the pendency of conciliation proceedings before a Board and seven days after the conclusion of such proceedings;.....

24. Illegal strikes and lock-outs.—(1) A strike or a lock-out shall be illegal if—

(i) it is commenced or declared in contravention of section 22 or section 23”

5. Layoff and Retrenchment

- The Act provides protection to workers against arbitrary layoff or retrenchment by employers.
- It specifies conditions under which layoff and retrenchment are permissible and mandates the payment of compensation to affected employees.

Layoff: Layoff typically refers to a **temporary** separation of an employee from their job due to reasons such as a downturn in business, lack of work, or organizational restructuring. Employees who are laid off may be **eligible for unemployment benefits** and other forms of assistance during their period of unemployment.

Retrenchment: Retrenchment, on the other hand, generally refers to a **permanent** termination of employment due to reasons such as economic difficulties, technological changes, or organizational restructuring that lead to a reduction in the workforce.

In summary, while both layoff and retrenchment involve reducing the workforce, **layoff is often temporary with the expectation of rehiring, whereas retrenchment is usually permanent.**

“25F. Conditions precedent to retrenchment of workmen.—

No workman employed in any industry who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until—

(a) the workman has been given one month's notice in writing indicating the reasons for retrenchment and the period of notice has expired, or the workman has been paid in lieu of such notice, wages for the period of the notice...”

6. Settlements and Awards

- The Act recognizes settlements reached between the parties to an industrial dispute and provides for the enforcement of such settlements.
- Additionally, it empowers authorities like labor courts and industrial tribunals* to make binding awards for the resolution of disputes.

*Industrial tribunal is **a court of first instance** responsible for judging individual disputes related to a work or apprenticeship contract, between employers and employees or apprentices: dismissal, salary dispute, leave, etc.

Original jurisdiction of a court refers to **a matter for which the particular court is approached first**.

7. Penalties

- The Act prescribes penalties for contravention of its provisions, including fines and imprisonment for offenses such as instigating illegal strikes or lockouts.

“25U. Penalty for committing unfair labour practices.—Any person who commits any unfair labour practice shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to one thousand rupees or with both.”