

MORATORIUM ON STRIKES AND LOCKOUTS

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Strikes and Lockouts are statutory rights and they are to be used as a last resort by workers and employers respectively when either of them is not amenable to reason and all avenues of reconciliation of differences and exhausted.

In a developing economy like ours these strikes and lockouts hamper the progress of the national economy. They also lead to avoidable wastage of resources.

In such situation to bale out the economy from the onslaught of strikes and lockouts, it is very debatable whether we could declare a moratorium on strikes and lockouts. In the wake of walking inflation which we were hitherto experiencing transforming itself into a menacing "*Galloping Inflation*" Making the economic seats absolutely unsafe for navigation, this step seems to be an imminent necessity.

Before proceeding to discuss the economic virtues of Moratorium on strikes and lockouts, it behooves us to be clear about these concepts "*Strikes*" and "*Lockouts*" - though most - if not all of you - are perfectly well aware of their connotation.

Strikes and lockouts presuppose certain amount of prevalent tension in industrial relations and these are the respective weapons in the hands of workers and employers to exhibit their strength and unity of purpose. Though we can speak about with certitude that lockouts are restored to by the Managements only when industrial relations are tense and when there is certain apprehension in the minds of Management about the safety to their interests, we cannot say that all types of strikes and restored to

by the employees only to press down their demands, when settlement of disputes is not otherwise possible. For example, there are sympathy strikes, token strokes against rising prices, etc., which are restored to not with any intention to settle a pending dispute by a show of force.

Now, let me dilate how these strikes and lockouts affect the National Economy fueling the inflationary forces. Strikes and lockouts distort the economy through Production, Consumption, Distribution and Exchange - the four arteries of the economic body - besides leaving a trail of uneasiness in social and political spheres.

Effects of strikes and lockouts on production and through it on the National Economy :

Strike or lockout inevitably leads to suspension of the industrial process and thus effect, in the first instance, production. Such amount of goods which adds to the National Income would not be produced because of the suspension of the production operations due either to a strike or a lockout. This leads to lesser production of such goods and such goods will be in short supply. As demand cannot be equated in the short run to the available supply, it results in increased prices. If the increased prices of goods of those industries in which strikes and lockouts occur happen to be "producer goods industries", it will lead to escalation of industrial costs, having its chain impact on the whole economy. Thus National Economy receives a jolt in the wake of stoppage of production on account of strikes and lockouts.

Inflation, which could be defined in simple terms as "too much money chasing

too few goods” can be successfully contained by increased production, which unfortunately is not possible, if the strikes and lockouts are allowed to continue, viewing them as sacrosanct rights of the workers and employers.

Effects of strikes and lockouts on Consumption and through it on the National Economy :

Strikes and lockouts result in unemployment of resources. Resources include human and material. As a major slice of the workers wages is spent on consumption, if the strikes and lockouts are for prolonged periods and intermittent in nature, they compel the workers to prune their expenditure on wage goods. This reduced expenditure on consumption will, in the first instance, affect consumption goods industries and latter producer goods industries inasmuch as lesser consumption of wage goods leads to lesser production of such goods. There will be increased unemployment spreading from one industry to another as one man's income is another man's expenditure. This cripples National Economy to a significant extent.

Effect of strikes and lockouts on Distribution and through it on the National Economy :

Rising prices, the inevitable result of suspension of production operations on account of strikes and lockouts are advantageous always to the rich. The trade will be virtually in the grip of the rich and they take advantage of the price situation and exploit the poor. They become richer at the cost of the poor - thus there will be a shift in the distribution of National Wealth in favour of the richer community. This accentuates inequalities in the distribution of the National Cake with its attendant social evils. In times of inflation (rising prices) which is the result of the strikes and lockouts, the get-rich-quick tendency reigns supreme and

Mammon Worship becomes the order of the day, submerging ethical and moral values.

Effects of strikes and lockouts on Exchange and through it on the National Economy :

A discussion on the economic ill-effects of strikes and lockouts will not be complete unless the Exchange aspect is also touched upon. If the products of the industries which are subjected to strikes and lockouts happen to be Foreign Exchange earners, the Nation's Export Trade receives a set back, leading to lesser foreign exchange earnings and results in adverse balance of trade. This cripples National Economy, as Development Projects for which valuable foreign exchange is much needed will have necessarily to be deferred. This impact will be keenly felt specifically by a Developing Economy like ours where development projects are undertaken on a colossal scale.

As could be seen from the above analysis, suspension of production process, the concomitant result of strikes and lockouts affects every aspect of the National Economy and turns it anaemic.

The ill-effects of strikes and lockouts are not circumscribed to economic sphere only. From the social angle, strikes and lockouts lead to violence, break of law and order, misery all round and prevalence of low morals. From the political angle, the economic ill-effects of prolonged and intermittent strikes and lockouts lead to changes in the system of Government through political upheavals by impoverishing the country's economic strength.

Considering all these economic, social and political hazards of strikes and lockouts, statesmen and Academicians and seriously thinking about declaring a moratorium on strikes and lockouts. Particularly for our country which has to trudge yet a larger

path to reach the Developed Stage, such a moratorium is an urgent solicitation.

The moratorium on strikes and lockouts results in industrial which in turn makes possible uninterrupted production - a healthy base to contain the demand pull inflation India is at present passing through.

It is a pertinent point to consider how a worker or an employer could safeguard his position if the respective weapons of strikes and lockouts are taken out from their arsenal. The common cause of strikes and lockouts is the distributional inequity of National Wealth. Sharing of wealth is possible, from the macro angle, either by a worker or an employer, so long as there is production of National wealth. If such production of National Wealth itself is suspended either through a strike launched by the workers or a lockout declared by the entrepreneurs, both result in impoverishment, which perhaps is the only dividend they can appropriate between them in the long run. So the employees and employers must develop enlightened self-interest and concentrate their efforts first to produce enough wealth for the Nation and make the National Economy a self-generating one. Until such stage is reached, both the employees and employers must necessarily stop thinking about their recourses but unite together for a common purpose and concentrate on production. By mutual give-and-take attitude, keeping the Nation's prosperity above self, they could voluntarily impose upon themselves the restraint of moratorium on strikes and lockouts at least until such time the Nation could afford to indulge in such a "self-annihilating luxury" of strikes and lockouts.

Coming to the point whether a people's

government wedded to democracy can declare a moratorium, which is unconstitutional, I would like to say that the Constitution itself is man made, designed to preserve the whole and when the people themselves - be they workers or entrepreneurs - voluntarily join and affix their seals for a moratorium on both strikes and lockouts, there is no need to delve deep into the question of constitutional validity of such a step. Further, history is witness to the fact that what is considered to be unconstitutional yesterday is being made constitutional tomorrow by seeking an amendment to the Constitution. Further, in an emergency, the Fundamental Rights get suspended and since we are passing through an Economic Emergency, can't we declare a moratorium on strikes and lockouts just to keep our heads above economic waters ? Further, only when there is moratorium of either a strike alone or a lockout alone is imposed, there will be much hue and cry, as one party is deprived of a lethal weapon, while the other retains the same, but when both parties are disarmed, there need be no grouse.

Turning to the question as to how best to avoid labour unrest and restore industrial peace, I may be permitted to say that so long as hostility in whatever shape or form is allowed to continue between the capital and labour, no labour rest or industrial peace can prevail. Only when labour realise their responsibility and capitalists honour their obligations towards labour with an altruistic spirit, a lasting industrial peace can be found. Labour must assimilate with capital. Active participation of labour in Management can alone provide the key to unlock this riddle.