

# THE DYNAMICS OF INDUSTRIAL RELATIONS IN THE CONTEXT OF LIBERALISATION

A Sociological Study in Durgapur Steel Plant

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**Abstract:** Industrial relations, the relationship between labour and management, have undergone a drastic change in India after the introduction of New Economic Policy (NEP) and with the announcement of New Industrial Policy in July 1991. In this new era of market globalism structural changes have been found in different magnitude across the world. In India also several changes have been witnessed in the context of industrial relations in both public sector units and in private sector units. The basic objective of this paper is to find out the nature of changes experienced by DSP, one of the biggest public sector unit in West Bengal, as a result of the introduction of new policy and new industrial policy after July 1991. To make a concrete conclusion and to point out changes and variations in industrial relations as an effect of liberalisation, I have chosen DSP for my present study and opted mixed research methodology for doing in-depth analysis of the subject. It observed from this study that as an after effect of liberalisation huge retrenchment have been occurred, number of man days lost due to strike have been reduced significantly, welfare facilities given to their employees have been reduced to basic level and considerable changes have also been observed in overall relationship between union and management where both union leaders and management played significant and positive attitudes for the future of the company.

**Key words:** Trade Union, Liberalisation, Globalisation, Privatization, Industrial relations, VRS

## I. Introduction

'Industrial relations' is a dynamic formal relationship between the representatives of employees and the representatives of employer or managers. In Public Sector Undertakings (PSUs) representative trade union tries to solve different issues of dissidence through the process of bilateral negotiation with the management. In PSUs like DSP industrial relations undergone changes in various segments including mentality of workers, union leaders as well as due to the introduction of LPG in last few years. Huge retrenchment have been done in last few years in DSP as a cost cutting measure and at the same time modernisation of the plant has been taken up to accelerate production and reduce cost of production. All these measures have been taken to compete in the global market. However, it is important to note that India has able to make her foot print in the world market of steel production and it is one of the leading steel making country in the world and DSP is also one of the top steel making company in India. From these points of view, I have tried here to find out the changing pattern of Industrial relations in DSP as well as its effectiveness in the competitive global market.

New Economic policy is a blend of various economic reforms, which was introduced by India government in response to the crisis of balance of payment from July 1991. To liberalize, privatize, and globalize Indian economy and to promote efficiency and competitiveness, traditional principles of growth with justice, social responsibility and accountability, equity and self-reliance have been totally abandoned. The main objective of New Economic Policy was to abolish 'license- permit-subsidy Raj' and to impart liberalization. The main purpose of this economic liberalization was to trim down undesirable governmental control over commerce and business, which hinder economic and commercial activities beyond national boundaries. To speed up the process of liberalization newly installed government headed by Shri Narasimha Rao announced five major policy resolutions in April 1991 for economic reforms. These are Industrial Policy, Trade policy, Exchange Rate Policy (Devaluation), Union budget for 1991-92 and foreign investment Policy. In India New Economic Policy (NEP) was based primarily on the prescription of Structural adjustment Program (SAP) of the International Monetary Fund (IMF) and World Bank.

Durgapur Steel Plant (DSP) has also witnessed rapid changes in different sectors from policy to workers' mentality including work culture. After the introduction of NEP, Government control over industrial establishments has been reduced significantly and the policy of "over protectionism" has been totally abandoned. Contrarily, trade