

Industrial Disputes Act, 1947, Historical Background, Objectives

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The Industrial Disputes Act, 1947 was a landmark legislation that governs the labour relations and industrial harmony in India. The act regulates trade unions, individual workers and all industrial establishments employing one or more persons. The act was enforced on 1st April, 1947 to investigate and resolve industrial disputes while safeguarding the rights of both employers and the employees. In this article, we are going to cover all about The Industrial Disputes Act, 1947 its features, historical background and objectives.

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 provides a legal framework to regulate disputes between employers and employees. It covers both collective disputes, such as those raised by trade unions or a group of workers, and individual disputes, such as wrongful termination or unfair dismissal. Its key aim is to maintain industrial peace, prevent arbitrary practices, and ensure that conflicts do not disrupt production or social stability.

What is the meaning of Industrial Dispute?

An industrial Dispute refers to a conflict between employers and employees or between employees within themselves, regarding conditions like employment, wages, working hours, job security and other labour related issues.

As per Section 2(k) of the Industrial Disputes Act, 1947, an 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, non-employment, terms of employment, or conditions of labour of any person.

Industrial Disputes Act, 1947 Historical Background

The roots of the Industrial Disputes Act can be traced back to the colonial period when labour unrest became a recurring phenomenon.

- Post **World War I**: Workers began demanding fair wages and better service conditions, leading to frequent strikes and lockouts.
- Trade Disputes Act, 1929: Enacted to resolve conflicts but proved inadequate as it lacked enforceable mechanisms and restrictions on strikes/lockouts in public utility services.
- **World War II** (1938–1945): Under Rule 81-A of the Defence of India Rules, industrial disputes could be referred to adjudication, ensuring continuity of production during wartime.
- Post-War Transition: With the expiry of Rule 81-A in 1946, the Government introduced the Industrial Disputes Act in 1947, incorporating wartime mechanisms into peacetime law.

Industrial Disputes Act, 1947 Objectives

The Industrial Disputes Act, 1947 has the following objectives:

- The act promotes Industrial peace that establishes a mechanism to reduce any tension between employers and the workers.
- The act provides legal processes such as conciliation, arbitration and adjudication.
- It protects employees against wrongful dismissals, retrenchments and exploitation.
- The act helps recognise trade unions and foster negotiations between employers and employees.
- Provides social justice to balance rights and obligations of employers and workers.
- Provides the legal procedures to prevent illegal work stoppages.
- Gives guidelines and norms for lay-offs, retrenchments and compensation.

Industrial Disputes Act, 1947 Features

The Industrial Disputes Act, 1947 has the following features:

- Prohibition of Strikes and Lockouts During Proceedings: Work stoppages are prohibited when conciliation or adjudication is in progress.
- Reference to Tribunals: Disputes may be referred to industrial tribunals either by mutual consent or by government intervention.
- Binding Nature of Awards: Awards passed by tribunals are binding on both parties for up to one year.

- Declaration of Public Utility Services: Essential sectors such as transport, coal, and steel can be declared as public utilities to prevent disruption.
- Compensation for Lay-offs and Retrenchment: Employers are mandated to provide compensation to workers in cases of job loss.
- Dispute Resolution Mechanisms: Multiple institutions like Works Committees, Conciliation Officers, Labour Courts, Industrial Tribunals have been established for dispute resolution.

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