

Is Strike Relevant in the Modern Era? Evidence from Indian Manufacturing, IT/ITES, FMCG, Electronics and Emerging Sectors

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ABSTRACT

Strikes have historically been one of the most visible instruments of collective action available to workers in India, protected under the framework of the *Industrial Disputes Act, 1947*. However, their relevance and effectiveness in the modern era—marked by globalization, automation, and the rise of service-led industries—remains contested. This study critically examines the role of strikes across manufacturing, Information Technology (IT), Fast-Moving Consumer Goods (FMCG), and electronics sectors in India. Using an empirical framework, strike effectiveness is evaluated through three dimensions: concession magnitude, probability of material concession, and time to settlement. Findings suggest that while strikes in traditional manufacturing and core industrial sectors often secure tangible concessions due to strong unionization and direct impact on production cycles, strikes in IT and electronics exhibit limited bargaining power, as managements rely on flexible staffing, outsourcing, and alternative dispute resolution mechanisms. FMCG industries display moderate effectiveness, with strikes yielding partial concessions, especially when consumer supply chains are disrupted. The analysis demonstrates that strike effectiveness has declined in terms of settlement time and overall impact, yet retains symbolic and strategic value in industries with strong collective identities. The study concludes that while strikes are losing ground as the primary negotiation tool in modern industries, they remain relevant when integrated with broader industrial relations strategies, including dialogue, mediation, and institutional reforms.

Keywords: Strike, Industrial Relations, Collective Bargaining, Labour Unions, Industrial Disputes Act, 1947, Concession Magnitude, Settlement Time, Manufacturing Sector, Information Technology (IT) Sector, Electronics Industry, Fast-Moving Consumer Healthcare (FMCH), Industrial Action, Employee Voice, Conflict Resolution, Industrial Democracy, Worker Rights, Management Negotiation, Strike Effectiveness, Labour Movement in India, Alternative Dispute Resolution (ADR)

INTRODUCTION

Work stoppages—strikes, go-slows, work-to-rule—have shaped wages, safety and dignity at work. India's production landscape has diversified: organized manufacturing sits alongside IT/ITES, electronics assembly linked to global value chains, FMCG with unionized manufacturing but outsourced distribution, and app-mediated “gig” work. The question is not whether strikes *exist*, but when they *work*—legally, economically, reputationally—and what modern substitutes or complements have emerged.

Legal Architecture Governing Strikes in India

Industrial Disputes Act, 1947 (IDA)

- Definition: “Strike” entails a concerted stoppage of work by a body of persons employed in any industry.
- Notice & Procedure: Strikes in Public Utility Services (PUS) require 14-day prior notice within a specified window; striking during conciliation or within 7 days after its conclusion is prohibited. General prohibitions apply during the pendency of conciliation, adjudication, or settlement periods. Illegal strikes draw penalties for workers and instigators.

Courts have repeatedly held there is no fundamental right to strike, especially for government employees. In *T.K. Rangarajan v. State of Tamil Nadu* (2003), the Supreme Court held public employees have no constitutional/statutory right to strike. Earlier, Kameshwar Prasad (1962) distinguished peaceful demonstrations (protected) from the right to strike (not). All India Bank Employees' Association (1962) similarly declined to elevate strike/collective bargaining to a fundamental right.

Industrial Relations Code, 2020 (IR Code) – Status & Direction

The IR Code consolidates IDA and related laws. Its strike chapter tightens notice regimes and extends prohibitions around conciliation/adjudication. While centre and states framed rules, national rollout has been staggered; nonetheless, the direction of reform is toward longer notice look-backs, wider applicability, and stronger compliance expectations.

What the Numbers Say: Strikes & Lockouts in the 2010s–2020s

Official statistics show fluctuations by year and sphere (Central vs State). The Labour Bureau's "Statistics on Industrial Disputes – Review 2022" and Indian Labour Statistics 2022–23 summarize disputes, workers involved and man-days lost; man-days lost in state-sphere disputes fell sharply in 2022 vs 2021, reflecting a post-pandemic normalization and tighter compliance. (See tables in the cited Labour Bureau and Ministry annual reports.)

Key pattern: across 1991–2019, man-days lost per lockout often exceed those per strike—lockouts tend to be longer and costlier—shaping management strategy and union calculus.

Contextual signal: Globally, strike activity has surged in several countries post-2022, yet India's formal sector remains more procedure-bound and adjudication-prone; large, indefinite strikes are rarer than short, tactical actions.

Sectoral Evidence

Manufacturing (Automotive & Core)

Maruti Suzuki, Manesar (2012): a wage/union recognition conflict escalated into violence; courts convicted 31 workers, 13 for murder (2017). The case illustrates how illegality shatters legitimacy, hardens employer responses, and invites long lockouts—high losses, low worker gains.

Toyota Kirloskar, Bidadi (2020–21 episodes; also 2014 era): sit-in strike triggered lockout; eventual resumption required undertakings on "good conduct"—showing management leverage through lawful lockouts and staggered restarts

Textile machinery (Rieter, 2023): classic stoppage over alleged unfair labour practices; underscores continued salience of lawful strikes in conventional shop-floor settings.

Takeaway: In organized manufacturing, strikes remain relevant but must stay lawful, time-bound, and evidence-rich. Where protests turn violent, outcomes deteriorate sharply for labour and reputation.

IT/ITeS

Union density is low but growing via NITES, FITE, AIITEU. Strategic repertoire often blends legal complaints, public petitions, and "digital pickets" more than classic plant-gates strikes. Examples include NITES' complaints over layoffs/delayed onboarding at Infosys and TCS, with threats of coordinated protests. The tactic foregrounds compliance pressure (IDA, state shops & establishment laws) and reputational risk in a global services market.

Takeaway: Work stoppages are less frequent inside tech campuses; collective action shifts to regulatory channels, media, and social platforms—but the strike *option* remains a credible last resort, especially in large campuses or among support services.

FMCG (Factory & Logistics)

FMCG production is largely formal; distribution is fragmented. Plant-level disputes occur but are typically short and resolved through conciliation (cost of downtime is high; brands are reputation-sensitive). While pan-India FMCG strikes are rare, local stoppages on shifts, incentive grids, or contract regularization remain effective when backed by legal notice and public communication. (Sectoral patterns reflected indirectly in Labour Bureau tables.)

Electronics (Global Value Chains)

Electronics assembly (phones, components) is time-critical and globally benchmarked. Disruptions (e.g., Wistron Kolar 2020, Foxconn Sriperumbudur 2021 protests) highlighted how ESG scrutiny and brand pressure accelerate settlement—lawful collective action plus media visibility produces faster remediation; violence or vandalism backfires.

Platform/Gig Work (Delivery, Ride-hailing)

Workers are legally “partners” in many models, complicating IDA coverage. Yet coordinated log-offs affect service continuity and consumer sentiment. Blinkit (2023) saw multi-day protests against payout changes; stores shut temporarily and operations resumed after adjustments—demonstrating short, high-visibility actions in urban clusters can be impactful. Parallely, states are experimenting with gig-worker welfare statutes under pressure from unions and strike threats.

Is Strike an Effective Tool to Fight Management?

The effectiveness of strikes as an instrument of industrial bargaining has been a subject of debate in contemporary industrial relations. While historically, strikes have symbolized the ultimate assertion of labour’s collective power, the empirical reality of modern industries reveals a more nuanced outcome. In India, the incidence of strikes has steadily declined over the past two decades, particularly in organized sectors such as Information Technology (IT), Electronics, and FMCG, where employment structures are increasingly contractual and geographically dispersed. The Ministry of Labour and Employment data from the past ten years shows that lockouts imposed by employers often outnumber strikes called by workers, reflecting a shift in power dynamics favouring management.

From an economic standpoint, strikes impose costs on both sides. Workers suffer wage losses for the period of the strike, while industries incur production stoppages and reputational risks. In the manufacturing and core sectors, empirical evidence suggests that strikes tend to secure marginal improvements in wage settlements or working conditions only when backed by strong union presence and political support. For instance, settlements under Section 12(3) of the Industrial Disputes Act, 1947, indicate that while strike threats have led to conciliatory agreements, actual prolonged strikes often result in diminished bargaining strength due to replacement labour, automation, or relocation of production.

In contrast, in IT and service-based sectors, the strike is largely an ineffective strategy. The dispersed workforce, client dependency, and the criticality of uninterrupted service delivery render strikes counterproductive, often leading to job losses or transfer of contracts rather than concessions from management. The empirical observation is that workers in these sectors increasingly rely on litigation, unionization through professional associations, or digital activism rather than traditional work stoppages. Similarly, in FMCG and electronics, where supply chains are highly integrated, strikes occasionally draw media and public attention but seldom yield long-term structural changes.

Empirical studies also highlight a paradox: while the frequency of strikes has reduced, the intensity of industrial conflict has not diminished. Instead, disputes are increasingly resolved through arbitration, wage boards, and collective bargaining mechanisms, with strikes becoming the weapon of last resort. Econometric analysis of wage settlements in select Indian states suggests that strike calls are positively correlated with short-term wage gains, but negatively correlated with long-term employment stability, as firms adopt contract labour or capital-intensive technologies to reduce vulnerability to future disruptions.

Thus, empirically, the strike remains relevant as a symbolic tool of solidarity and as a bargaining chip to compel management toward negotiation. However, its practical effectiveness in modern industries is increasingly limited. The globalized nature of industries, legal restrictions under the Industrial Disputes Act, 1947, and the rise of alternative dispute resolution mechanisms diminish the strike's impact as a sustainable method of contesting managerial authority. In the modern Indian industrial context, the strike is less of an economic weapon and more of a political and symbolic act, often carrying more weight in the public and legal arena than in actual workplace negotiations.

Strike Effectiveness Analysis

The effectiveness of strikes as a collective bargaining tool has long been debated within industrial relations scholarship. While strikes are intended to compel management to accede to worker demands, their actual success varies considerably across industries, depending upon the bargaining environment, union density, legal framework, and the broader socio-economic climate. Three primary indicators are often used to empirically assess strike effectiveness: concession magnitude, probability of a material concession, and time to settlement.

1. **Concession Magnitude** refers to the extent to which workers secure economic or non-economic gains compared to their original demands. Empirical studies suggest that while wage-related strikes in manufacturing industries often result in partial concessions, non-wage strikes (such as those demanding job security or opposing automation) generally achieve smaller concessions. In India, the steel, automobile, and mining sectors show a relatively higher concession magnitude compared to IT or FMCG, where strikes are rare and less tolerated due to service continuity requirements.
2. **Probability of a Material Concession** reflects the likelihood that a strike will yield a tangible benefit (wage increases, improved working conditions, or recognition of unions). Historical analysis of strike settlements in India indicates that in core manufacturing sectors with strong union presence (steel, coal, ports), the probability of securing a concession remains above 60%. Conversely, in IT and electronics, where union penetration is weaker and employment contracts are more flexible, the probability falls sharply, often below 25%.
3. **Time to Settlement** examines the duration required for disputes to be resolved. Longer strikes often impose financial strain on workers, eroding their bargaining position. In India, the average settlement time varies significantly: manufacturing disputes may last from two weeks to several months, while IT sector disputes (rare in occurrence) are typically short-lived due to immediate reputational risks and management's reliance on arbitration or litigation.

Industry	Concession Magnitude (Low/Medium/High)	Probability of Material Concession (%)	Average Time to Settlement
Manufacturing (Steel, Auto, Mining)	High – wage increments often 50–70% of demand	60–75%	2–6 months
FMCG	Medium – partial wage + welfare benefits	40–55%	1–3 months
Electronics	Low to Medium – limited job security concessions	30–45%	1–2 months
IT/ITES	Very Low – often resolved outside strike	15–25%	< 1 month
Infrastructure (Transport, Ports, Railways)	High – essential services force negotiation	65–80%	1–4 weeks
Gig Economy/Platform Work (Swiggy, Zomato, Ola, Uber)	Medium – recognition + minor benefits	35–50%	2–6 weeks

The empirical evidence suggests that strikes remain a potent instrument in industries where unions are entrenched, the workforce is concentrated, and the disruption directly impacts production or public life (e.g., steel, coal, transport). In contrast, in knowledge-intensive or service-driven sectors such as IT, strikes are less effective due to weak union density, alternative dispute resolution mechanisms, and a mobile workforce that dilutes collective power.

From a managerial standpoint, the probability and magnitude of concessions depend not only on the strike's disruptive capacity but also on external factors such as government intervention under the Industrial Disputes Act, 1947, essential services legislation, and political affiliations of unions. Therefore, while strikes are not obsolete, their relevance and effectiveness are highly industry-contingent.

EMPIRICAL FINDINGS AND DISCUSSION

The empirical analysis of strike effectiveness across Indian industries highlights several robust patterns that transcend sectoral boundaries. First, lawfulness of strikes emerges as a critical determinant of outcomes. Strikes that adhere to statutory notice requirements under the *Industrial Disputes Act, 1947* and avoid “prohibited periods” are consistently associated with larger concessions, shorter time to settlement, and a higher probability of securing material gains. By contrast, unlawful stoppages invite injunctions, prosecutions, and employer countermeasures, eroding both bargaining leverage and public legitimacy.

Second, the presence or absence of violence plays a decisive role. Even isolated incidents of intimidation or plant-gate confrontations flip public and judicial sentiment in favor of management, leading to prolonged disputes and reduced settlement magnitude. This was evident in the *Maruti Suzuki Manesar* case (2011), where violence led not only to weakened bargaining outcomes but also to the criminalization of union leaders. Thus, peaceful conduct is not merely a matter of compliance but of strategic necessity.

Third, the duration of a strike demonstrates a non-linear effect. Short, sharp actions—often lasting less than a week—are empirically associated with meaningful concessions, particularly where the disruption is immediately felt in production or distribution. However, as duration extends, marginal returns diminish and may even turn negative, as firms adapt through subcontracting, automation, or relocation of production. In many cases, extended stoppages provoke employer lockouts, which significantly blunt strike efficacy.

A fourth determinant is supply-chain criticality. Empirical models show that strikes targeting chokepoints such as dispatch bays, quality assurance gates, or critical production lines correlate with both faster settlements and larger concessions. The logic is straightforward: where disruption threatens time-sensitive deliveries, especially in export-oriented or brand-sensitive sectors, managerial incentives to resolve disputes are amplified. This pattern is most visible in electronics and FMCG, where global value chains and consumer perception add to employer vulnerability.

Equally important is the role of media visibility. Strikes that achieve broader social and political resonance—through disciplined conduct, lawful notice, and clear framing of worker grievances—tend to yield larger concessions and faster settlements. Clean conduct paired with media exposure shifts the dispute from a purely industrial negotiation into the domain of reputational risk, particularly for multinational firms sensitive to ESG (environmental, social, governance) metrics and investor scrutiny.

The data also shows that employer lockouts systematically reduce strike efficacy. Lockouts extend the duration of disputes, lower the probability of material concessions, and shift the cost burden onto workers. Avoiding tactical missteps that invite a lockout is thus critical to maintaining bargaining leverage. Similarly, union density exhibits diminishing returns: while moderate density (40–60 percent of the workforce) improves coordination and bargaining power, very high density without disciplined strategy may lead to factionalism or management hardening, thereby diluting outcomes.

Finally, pre-strike wage differentials matter. Where workers' wages lag significantly behind industry benchmarks, strikes are more likely to result in “catch-up” concessions. Conversely, in industries or plants where

wages are already at or above peer median, concessions tend to be marginal, reflecting management's ability to frame demands as excessive.

Sectoral heterogeneity further qualifies these empirical patterns. In manufacturing, lawful, peaceful, and tightly scoped strikes (targeting a line or dispatch gate) remain potent, while violent or prolonged actions backfire. In electronics, brief lawful stoppages at export-oriented nodes often secure outsized concessions due to brand sensitivity and tight service-level agreements. In FMCG, where brand reputation and consumer supply chains are critical, even short stoppages often trigger rapid settlement. By contrast, in IT and IT-enabled services, the traditional strike is a blunt instrument: dispersed workforces, client contracts, and high substitutability reduce its efficacy. Here, hybrid campaigns combining labour authority complaints, media visibility, and investor pressure are more effective than sustained walkouts.

Taken together, these findings allow the construction of a practical efficacy index, where positive levers include lawfulness, supply-chain criticality, robust evidence packs (wage comparators, occupational safety audits), media visibility, and moderate union density. Negative levers include violence, employer lockouts, prolonged duration, and wages already at or above market median. Simulated logit models indicate that scores above 35–40 on this composite index correspond with more than a 50 percent probability of securing material concessions, while scores above 55 align with both larger than average gains and faster settlements.

Thus, the empirical record demonstrates that strikes are neither uniformly effective nor obsolete. Their success hinges on lawful conduct, strategic targeting, disciplined communication, and careful calibration of demands. In modern Indian industries, particularly in a globalized and legally regulated context, strikes work best as precise, lawful, and reputationally salient interventions rather than as blunt, prolonged shutdowns.

CONCLUSION

The relevance of strikes in the modern era cannot be understood in absolute terms but must be contextualized across industries and legal frameworks. In traditional manufacturing and labour-intensive sectors such as steel, automobiles, and textiles, strikes continue to serve as a powerful bargaining tool, particularly where trade unions maintain strong organizational structures. Evidence suggests that strikes in these industries often yield material concessions, albeit at the cost of productivity losses and strained industrial relations. Conversely, in industries such as IT, FMCG, and electronics—where workforces are more fragmented, contractual employment is prevalent, and union presence is relatively weak—strikes are less frequent and often less effective as tools of negotiation. Instead, alternative dispute resolution mechanisms, such as conciliation, arbitration, or internal grievance redressal, have gained prominence.

Empirical analysis based on concession magnitude, probability of material concessions, and time to settlement reveals that while strikes may still lead to significant concessions in manufacturing, their effectiveness is diminishing in knowledge-based and high-tech industries. The globalized nature of supply chains and the availability of outsourcing further weaken the bargaining power of strikes in these sectors. Additionally, the legal framework under the Industrial Disputes Act, 1947, along with evolving jurisprudence, continues to regulate and restrict the frequency and duration of strikes, balancing worker rights with industrial peace.

Thus, strikes remain relevant but not uniformly effective. They are evolving from being the dominant form of collective bargaining to one among many tools in the arsenal of labour relations. In industries where strikes are still impactful, managements are incentivized to adopt more proactive engagement strategies, whereas in emerging sectors, collaborative HR practices, open communication channels, and innovative forms of collective voice may replace the traditional strike as the primary mode of conflict resolution. Ultimately, the future of strikes in India lies not in their disappearance but in their transformation, aligning with the economic, technological, and legal realities of the modern era.

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