Industrial Employment (Standing Orders) Central (Amendment) Rules, 2018 - Fixed-term Employment

Why in news?

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- The Ministry of Labour and Employment recently notified fixed term employment for all sectors.
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- It was through an amendment to the Industrial Employment (Standing Orders) Central Rules, 1946.
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- Click here to know more on fixed term employment.
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What are the highlights of the rules?

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- A fixed term employment workman is engaged on the basis of a written contract of employment for a fixed period.
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- The existing permanent workmen as on March 16, 2018 cannot be converted as fixed term employment thereafter.
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- March 16 is the date of commencement of the amended rules.
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- The notified rules provide for equal work hours, wages, allowances and other benefits as that of a permanent workman.
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- These are along with all statutory benefits available to a permanent workman proportionately according to the period of service.
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- This will be available even if the period of employment does not extend to the qualifying period of employment required in the statute.
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- Fixed-term employees whose services are terminated on non-renewal of

contract or on its expiry is not entitled to any notice or pay in lieu.
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- No notice of termination of employment shall be necessary in the case of temporary workman.
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- This is whether it is monthly rated, weekly rated or piece rated and probationers or badli workmen (appointed in the position of permanent workmen or temporarily absent probationers).
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What are the expected benefits?

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- The Cabinet had earlier approved fixed-term employment for specific sectors.
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- Fixed-term employment for all sectors now will make it easier for companies to hire-and-fire workers.
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- It will also reduce the role of middlemen and allow companies to hire workers based on seasonal trends.
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- The industries will be empowered to employ people for a fixed duration for which they have orders or assignments.
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- There will be no burden of carrying extra labour force during the lean season.
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- The move is further expected to promote ‘ease of doing business’.
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What are the concerns?

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- **Job creation** - The move towards fixed-term employment will make it easier for companies to layoff workers.
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- This could have a bearing upon job creation in the country.
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- Notably, India’s unemployment rate is estimated to rise to 3.5% for 2018 from 3.4% estimated earlier.

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- **Labour laws** - The consolidation exercise of 44 central labour laws into four major codes is still pending by the government.
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- **Trade Unions** - Trade unions across the country have opposed the extension of fixed-term employment to all sectors.
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- This is because the move could lead to a situation where only fixed-term jobs are created.
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- There is a possibility that permanent employment would vanish from the industrial sector.
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Source: The Hindu

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