

Q:- Though the Industrial Relations Code Bill, 2019 offers flexibility in labour laws, it also tends to provide discretion to the government in certain areas. Analyse (200 words)

Recently the Union Cabinet has approved the Industrial Relations Code Bill, 2019. It proposes to amalgamate the Trade Unions Acts, 1926, the Industrial Employment (Standing Orders) Act 1946 and the Industrial Disputes Act 1947.

● POSITIVE SIDE AND CHANGES :-

1. Fixed term employment^(FTE):- The important aspect of this bill is that it presents the legal framework for ushering in the concept of "Fixed term employment" through Contract workers on pan India basis.

1.1 Earlier the government included this FTE in Industrial Employment (Standing Orders) Act 1946.

1.2 This was only applicable to 'central sphere' establishment and the states did not suit for it.

1.3 In 2019 new bill, the Fixed-term Contract would be taken up depending upon the Seasonality of the industry, but would be treated on a par with regular workers (PF, Gratuity and medical benefit).

2. The threshold required for government

Permission for retrenchment has been kept unchanged at 100 employees as against the proposal for 300 employees in draft.

2.1 Instead, the government has now provided flexibility for changing the threshold through notification.

DISCRETIONARY MORE BY GOVERNMENT:-

1. ~~The~~ Nuclear provisions:- Regarding retrenchment would lead to uncertainty and discretionary behaviour during implementation by the Centre and State government.

2. The law will provide flexibility for the applicability, it leaves the matter to the discretion to the appropriate government (States or Centre).

2.1 Then the clause can be misused.
3. Any discretion in laws leads to uncertainty, lack of clarity & implementation and provides scope for unnecessary usage.

Therefore, the government should be clear whether to increase the threshold or retain the threshold and face the consequences. Also fixed-term employment needs to be introduced with adequate safeguards, otherwise it runs the risk of encouraging conversion of permanent to fixed-term employment.