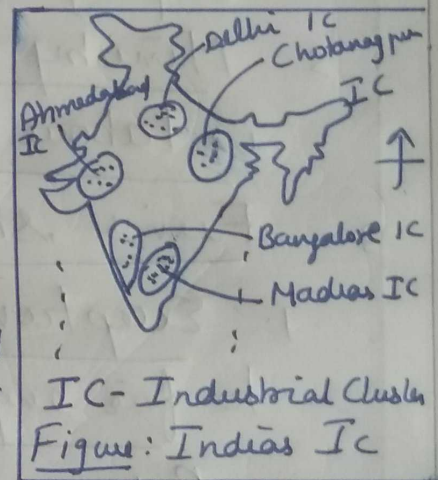


1. Despite simplifying the labour laws, the hire and fire policy can be a hindrance to the development of manufacturing sector in the country. Analyse.

India has its manufacturing sector GDP of 13% with ~ 27% of population contributing to the growth through core industries in India thereby there is a need to analyse the hire and fire policy of Industrial Relation Code for safeguard of labours.

Simplified labour laws:

1. India has simplified 29 labour laws into 4 codes
2. One among code is Industrial Relation Code of Ministry of Labour and Employment



Features of Industrial Relation Code:

1. Classification of workers
2. Registration of Trade Unions
3. Unfair labour practices
4. Layoff and Retrenchment Standards



## Hire and Fire policy pose hindrance:

1. Retrenchment Threshold of 300 affects manufacturing
  1. Government nod required if retrenchment is more than 300.
  2. Thus it facilitates easy removal upto 300 workers
  3. Small & Medium firms can easily fire employees
  4. TLO in its recent survey mentioned loss of workers to be 2 fold within 15 years of law
2. Fixed-Term Employment affect manufacturing
  1. The definition promotes the hire of workers
  2. But it damages the interest of full time employment.
  3. Ministry of Statistics found drop of 10% in labour force in formal sector in past decade
3. Firms strong hold over fire in employment:
  1. Exceptional situations can make industry to fire employees like disaster, crisis, crunch etc;
  2. Reduces employment benefit & damages manufacturing output.
  3. Ministry of Finance in Economic Survey 2018 mentions drop in manufacturing GDP of 4% from past 1991 LPGs.

- Future Perspectives
1. Reduce threshold back to 100
  2. Promote regular employment (full time) with benefit
  3. Safeguard labour interest to increase manufacturing