

PRECARIOUS INTERVALS: RETHINKING LABOUR RIGHTS FOR INDIA'S FIXED-TERM EMPLOYEES

AUTHOR – THANUSH TRIVIKRAM N & LARA ST

STUDENTS AT SCHOOL OF EXCELLENCE IN LAW, TAMILNADU DR. AMBEDKAR LAW UNIVERSITY

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ABSTRACT

Fixed-term employment is increasingly common in India, offering flexibility to employers but leaving workers exposed during the intervals between contracts. In these periods, workers often lack wages, benefits, social security, and continuity of service, creating a zone of vulnerability that is largely ignored by existing labour laws. This paper examines the legal, social, and economic consequences of such temporal gaps and introduces the concept of “inter-contract vulnerability” to describe this overlooked form of precarity.

Through a combination of doctrinal analysis and comparative study of international labour standards, the paper explores how current laws fail to recognize the ongoing economic dependence of workers even when a formal contract has lapsed. It argues for the legal acknowledgment of inter-contract periods as a transitional employment phase, with protections such as continuity of social security contributions, wage safeguards, and safeguards against arbitrary non-renewal.

By highlighting this structural gap, the study contributes to labour law scholarship and policy discourse, advocating a shift from a strictly contract-based model of protection to one grounded in the continuity of worker dependence, thereby ensuring that temporary workers are not left Fixed-term employment

KEY WORDS: Inter-contract vulnerability, Labour protection, Worker precarity, Between contracts.

INTRODUCTION

Fixed-term employment has been formally recognised under the Industrial Relations Code, 2020, which consolidates and replaces multiple labour laws in India, including the Industrial Disputes Act, 1947, the Trade Unions Act, 1926, and the Industrial Employment (Standing Orders) Act, 1946. The Code defines fixed-term employment as the engagement of a worker through a written contract for a specified period, ensuring that wages, hours, allowances, and benefits are not inferior to those of permanent workers performing similar work, and that statutory entitlements are

proportionately available even if qualifying service thresholds are not met¹⁹²⁹. In recent years, fixed-term contracts have become increasingly prevalent across sectors in India, reflecting the growing demand for labour market flexibility. Employers utilise these contracts to respond to project-based workloads, seasonal demand fluctuations, or specialised tasks, allowing operational agility and cost management. This trend parallels global shifts towards flexible work arrangements and is amplified by the

¹⁹²⁹ Industrial Relations Code 2020, s 2(xi), s 21, Government of India, <https://www.indiacode.nic.in/handle/123456789/22040>

expansion of the gig economy, where digital platforms contract work on a short-term or task-based basis¹⁹³⁰.

The rise of fixed-term employment in India is further driven by competitive pressures, technological advancement, and the need for workforce adaptability in sectors such as information technology, manufacturing, logistics, and services. While fixed-term engagements offer potential benefits for both employers and some workers, they also produce fragmented employment trajectories, with frequent contractual resets creating periods of temporal vulnerability¹⁹³¹.

The central problem lies in the fact that existing Indian labour laws and social security frameworks remain largely tied to continuous, active employment. Protective entitlements, social security contributions, and statutory benefits are triggered primarily by an ongoing contract. Consequently, when a fixed-term contract expires, workers are often left without wages, benefits, or continuity of service until a subsequent contract is executed. This creates inter-contract vulnerability, a legally and socially significant gap in protection¹⁹³². This paper argues that legal protections under Indian labour law are insufficient for workers between contracts, resulting in systemic vulnerability that has yet to be addressed through statutory measures. By conceptualising the unprotected interval between contracts as “inter-contract vulnerability”, the study highlights a structural lacuna in the labour protection regime and calls for legal reforms to ensure continuity of social security, wage protection, and employment rights¹⁹³³.

¹⁹³⁰ Times of India, ‘Big Shift in India’s Job Market: Why Fixed-Term Employment is the New Normal’ (Times of India, 2024) <https://timesofindia.indiatimes.com/business/india-business/big-shift-in-indias-job-market-why-fixed-term-employment-is-the-new-normal-and-what-it-means-for-employees/articleshow/129513873.cms>

¹⁹³¹ Standing Committee on Labour, ‘Report on Fixed-Term Employment in India’ (Parliament of India, 2022) para 2.3.

¹⁹³² Guy Standing, *The Precariat: The New Dangerous Class* (Bloomsbury 2011) 45–46.

¹⁹³³ Industrial Relations Code 2020, ss 21–23; Code on Social Security 2020, s 2(30), Government of India, <https://www.indiacode.nic.in/handle/123456789/21899>

RESEARCH QUESTIONS (Hypothesis-Driven)

Legal protections under Indian labour law are insufficient for workers between fixed-term contracts, creating systemic inter-contract vulnerability that undermines income security, social protection, and workplace rights, and therefore requires explicit statutory recognition and reform.

Research Questions:

1. Do existing Indian labour laws (Industrial Relations Code, 2020; Code on Social Security, 2020) adequately recognise or protect workers during the intervals between fixed-term contracts?

Hypothesis: Current labour codes primarily focus on active contracts and fail to account for inter-contract periods, leaving workers vulnerable.

2. How do temporal gaps between contracts affect the economic, social, and legal security of workers, including wages, benefits, social security contributions, and continuity of employment?

Hypothesis: Workers experience significant loss of entitlements and face structural precarity in inter-contract periods.

3. Can inter-contract periods be conceptually treated as a “transitional employment phase” with continuity of rights under existing doctrines or international standards?

Hypothesis: Comparative and doctrinal analysis will reveal that recognition of such transitional phases is feasible and aligns with international labour norms.

4. What lessons can India learn from international frameworks (e.g., EU Fixed-Term Work Directive, UK continuity of employment laws, ILO standards) to address inter-contract vulnerability?

Hypothesis: Comparative models demonstrate mechanisms for bridging temporal gaps that could inform Indian statutory reform.

5. What legislative, doctrinal, or policy reforms are required to mitigate inter-contract vulnerability, and how can labour law shift from a contract-bound to a dependency-based protection model?

Hypothesis: Implementing continuity-based protections, presumptive wage safeguards, and social security contributions across inter-contract periods can significantly reduce worker precarity.

RESEARCH OBJECTIVES

1. Critically analyse the legal framework governing fixed-term employment in India, including the Industrial Relations Code, 2020, the Code on Social Security, 2020, and related labour laws.
2. Examine statutory definitions, rights, and obligations associated with fixed-term employment and identify gaps in protection during periods between contracts.
3. Investigate judicial interpretations and case law related to fixed-term employment and continuity of service.
4. Identify and conceptualise inter-contract vulnerability as a unique form of worker precarity arising from temporal gaps between successive contracts.
5. Develop a theoretical framework to categorise the legal, economic, and social dimensions of inter-contract vulnerability.
6. Evaluate the practical impact of inter-contract periods on workers' wages, allowances, benefits, and social security contributions.
7. Assess how temporal gaps influence continuity of employment, career progression, and workplace rights.
8. Examine the experiences of workers in the gig economy and platform-based employment to understand the relevance of inter-contract vulnerability in modern labour markets.
9. Analyse international labour standards and comparative legal frameworks,

including EU Fixed-Term Work Directive, UK continuity of employment law, and ILO conventions, to identify best practices.

10. Investigate the alignment or divergence of Indian labour law with international norms regarding employment continuity and social security coverage.

RESEARCH METHODOLOGY

This study adopts a multi-pronged research methodology, combining doctrinal, comparative, and critical approaches to examine the legal status of workers between fixed-term contracts in India and to conceptualise inter-contract vulnerability. The primary method is doctrinal legal research, which involves a detailed analysis of Indian statutes and labour codes, including the Industrial Relations Code, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Code on Wages, 2019, and the Code on Social Security, 2020. This component focuses on identifying legal provisions governing fixed-term employment, continuity of service, wages, benefits, and social security, and highlights the gaps that leave workers unprotected during inter-contract periods.

In addition, the study employs a comparative legal analysis, examining fixed-term employment protections in other jurisdictions, such as the United Kingdom, Germany, and the European Union. This comparison provides insights into best practices and statutory measures that ensure continuity of worker protections across contract gaps, offering potential lessons for Indian labour law reform.

The research also incorporates a critical analysis of the discrepancy between law in theory and law in practice. This involves evaluating judicial interpretations, labour tribunal decisions, and reports by government bodies or law commissions to understand how legal provisions are implemented and where they fail to protect workers during temporal gaps. The study draws upon primary sources

such as statutes, government notifications, and case law, as well as secondary sources including academic journals, books, policy papers, and international legal instruments on fixed-term employment. Using this methodology, the research systematically analyses and compares legal provisions, identifies structural gaps, and proposes reforms, ensuring a rigorous doctrinal foundation enriched by comparative and practical insights.

LIMITATIONS

This study acknowledges certain limitations. Firstly, empirical data on inter-contract periods in India is limited, making it challenging to quantify the exact extent and impact of temporal gaps on workers across different sectors. Consequently, the research primarily relies on statutory analysis, judicial interpretations, and secondary sources rather than large-scale field surveys. Secondly, the focus of the study is mainly doctrinal and legal, with limited engagement in sociological or ethnographic fieldwork; therefore, the nuanced experiences of workers in diverse workplaces may not be fully captured. Lastly, the comparative component of the research is restricted to jurisdictions with accessible English-language sources, such as the United Kingdom, Germany, and the European Union. While these provide valuable insights, they may not reflect the full range of international approaches to fixed-term employment and inter-contract protection. Despite these limitations, the methodology allows for a comprehensive doctrinal, comparative, and critical analysis of inter-contract vulnerability within the Indian legal framework.

LITERATURE REVIEW

The scholarship on fixed-term employment, both in the Indian context and internationally, has expanded in recent years as labour markets become increasingly flexible and non-standard work arrangements proliferate. Indian labour law literature has traditionally focused on statutory regulation of employment relationships and the balance between

protection and flexibility, with several studies examining the statutory contours and implications of fixed-term contracts¹⁹³⁴. These works explore how fixed-term employment intersects with principles of equality, non-discrimination, and continuity of service, often highlighting the debates over whether fixed-term workers should enjoy the same rights as permanent employees¹⁹³⁵.

Internationally, a significant body of research engages with fixed-term employment under the broader rubric of non-standard work. In the European Union, scholars have examined the socio-economic impact of fixed-term work and the regulatory frameworks designed to prevent abuse of successive contracts, particularly under the EU Fixed-Term Work Directive and associated case law from the Court of Justice of the European Union¹⁹³⁶. Comparative labour studies in jurisdictions such as the United Kingdom and Germany have analysed doctrines of continuity of employment, presumptions against casual or repeated renewals of temporary contracts, and the role of judicial intervention in extending protections to workers on successive fixed-term contracts¹⁹³⁷.

The growing literature on precarious work also intersects with research on fixed-term employment. Precarity scholars emphasise the insecurities associated with short-term, contingent, and informal work, highlighting income instability, lack of social security, and weakened collective bargaining power as core features of precarious employment¹⁹³⁸. Within this field, the rise of the gig economy has generated extensive sociological and legal analysis, with research focusing on platform-based work, algorithmic management, and the erosion of traditional employment

¹⁹³⁴ Anil Verma and Nivedita Jayaram, *Labour Law in India: Text and Commentary* (1st edn, OUP 2021) 214–218.

¹⁹³⁵ Arup Patnaik, 'Fixed-Term Employment Contracts and the Quest for Equality' (2022) 54 *Economic and Political Weekly* 34.

¹⁹³⁶ European Parliament and Council Directive 1999/70/EC concerning the Framework Agreement on Fixed-Term Work and relevant case law of the Court of Justice of the European Union.

¹⁹³⁷ Roger Blanpain and Paul Davies (eds), *Fixed-Term and Part-Time Work in European Labour Law* (Kluwer 2017).

¹⁹³⁸ Guy Standing, *The Precariat: The New Dangerous Class* (Bloomsbury 2011).

protections. While such studies provide valuable insights into contemporary labour market transformations, they tend to centre on the status of work during employment rather than the legal and social experiences of workers between contracts¹⁹³⁹.

Despite the richness of existing scholarship on fixed-term work and precarious labour, there remains a conspicuous gap in academic discourse regarding the legal and socio-economic status of workers during the temporal gaps between fixed-term contracts. Most studies implicitly assume that labour protections apply only during active contractual periods, without interrogating the implications of contract expiry itself or the vulnerabilities that arise in the interludes before re-engagement. This lacuna is particularly striking given the increasing prevalence of segmented employment patterns and the extension of non-standard work across sectors¹⁹⁴⁰. By foregrounding the concept of inter-contract vulnerability, this study aims to fill that gap, contributing to labour law literature by moving beyond analyses of fixed-term contracts as isolated legal events and instead situating them within broader patterns of worker precarity, continuity, and protection.

FRAMEWORK OF FIXED-TERM EMPLOYMENT IN INDIA

The Industrial Relations Code, 2020 formally recognises fixed-term employment as a distinct category of work. A fixed-term employee is defined as a worker engaged under a written contract for a specified period, typically tied to the completion of a particular task, project, or seasonal requirement¹⁹⁴¹. This statutory recognition provides both employers and employees with clarity regarding the duration and scope of employment, distinguishing fixed-term employees from casual or daily wage

workers¹⁹⁴². During the contract period, fixed-term employees are entitled to wages, allowances, and benefits that are not inferior to those of permanent employees performing similar work¹⁹⁴³. These protections extend to statutory benefits such as provident fund contributions, gratuity (where eligibility criteria are met), and social security coverage under the Code on Social Security, 2020¹⁹⁴⁴. This framework ensures that fixed-term workers are not disadvantaged solely due to the temporary nature of their engagement and aligns with international labour principles on equality and non-discrimination¹⁹⁴⁵. The Code also mandates that occupational safety and health protections apply to fixed-term employees¹⁹⁴⁶. Employers are required to provide the same safety measures, training, and welfare standards as applicable to permanent employees. This is particularly significant in sectors such as construction, manufacturing, and logistics, where temporary workers are often exposed to greater risks¹⁹⁴⁷.

Judicial interpretation has further refined the understanding of fixed-term employment. Courts have examined whether repeated renewals of fixed-term contracts may give rise to continuity of service, particularly for the purposes of termination benefits or gratuity eligibility¹⁹⁴⁸. Although the law recognises the rights of fixed-term employees during the active contract, it does not explicitly address protections during the gaps between successive contracts, leaving workers vulnerable to income and benefit discontinuities¹⁹⁴⁹. Other consolidated labour statutes interact with this framework. The Code on Wages, 2019, mandates minimum wages

¹⁹³⁹ Jeremias Prassl, *Humans as a Service: The Promise and Perils of Work in the Gig Economy* (OUP 2018).

¹⁹⁴⁰ Ruth Dukes, 'Non-Standard Employment and the Law: Under-Explored Dimensions' (2021) 67 *International Journal of Comparative Labour Law* 89–112.

¹⁹⁴¹ Industrial Relations Code 2020, s 2(xi).

¹⁹⁴² Arup Patnaik, 'Fixed-Term Employment Contracts and the Quest for Equality' (2022) 54 *Economic and Political Weekly* 34.

¹⁹⁴³ Industrial Relations Code 2020, s 21(3).

¹⁹⁴⁴ Code on Social Security 2020, ss 2(30)–(32).

¹⁹⁴⁵ European Parliament and Council Directive 1999/70/EC concerning the Framework Agreement on Fixed-Term Work. *Industrial Relations Code 2020*, s 21(4).

¹⁹⁴⁶ Industrial Relations Code 2020, s 21(4).

¹⁹⁴⁷ National Safety Council, *Workplace Safety Statistics in India* (2022).

¹⁹⁴⁸ Chief Administrator, Haryana Urban Development Authority v. Industrial Tribunal, Rohtak (1994)

¹⁹⁴⁹ Ruth Dukes, 'Non-Standard Employment and the Law: Under-Explored Dimensions' (2021) 67 *International Journal of Comparative Labour Law* 89.

and prohibits discriminatory pay practices, ensuring that fixed-term employees receive equitable remuneration¹⁹⁵⁰. The Code on Social Security, 2020, aims to expand social security coverage to all employees, including those engaged on fixed-term contracts, yet its provisions largely cover periods of active employment, not inter-contract gaps¹⁹⁵¹. While the legal framework has advanced significantly compared to historical practices—where temporary and contract workers were often paid less and denied benefits—the absence of explicit protections during inter-contract periods represents a critical limitation¹⁹⁵². Scholars have termed this gap inter-contract vulnerability, highlighting the structural precarity faced by workers whose livelihoods depend on successive fixed-term engagements¹⁹⁵³. Addressing this vulnerability requires either legislative clarification or policy interventions that ensure continuity of wages, benefits, and social security coverage even when a worker's contract temporarily lapses¹⁹⁵⁴.

THE PROBLEM OF TEMPORAL GAPS

One of the most significant challenges arising from fixed-term employment is the existence of temporal gaps between successive contracts. These gaps occur when a worker's current contract ends and the subsequent engagement has not yet commenced. In such periods, workers often face complete loss of income and benefits, creating a structural vulnerability that is not adequately addressed by Indian labour law¹⁹⁵⁵. During these inter-contract periods, fixed-term employees are typically ineligible for wages, social security contributions, provident fund benefits, health coverage, or leave entitlements¹⁹⁵⁶. For example, while the Industrial Relations Code, 2020, and

the Code on Social Security, 2020, provide for equal treatment and social protection during the active contract period, these protections cease automatically when the contract expires¹⁹⁵⁷. Similarly, minimum wage obligations under the Code on Wages, 2019, only apply during employment, leaving the worker without any statutory recourse during the temporal gap¹⁹⁵⁸.

The lack of continuity in statutory benefits has profound implications for workers' economic and social security. Fixed-term workers often rely on successive contracts for their livelihood; interruptions can result in financial instability, loss of health coverage, and the absence of provident fund contributions, which cumulatively undermine long-term security and retirement planning¹⁹⁵⁹. Unlike permanent employees, who accrue benefits continuously, fixed-term workers are effectively excluded from these safeguards during gaps, increasing their precarity¹⁹⁶⁰. Existing labour laws such as the Industrial Disputes Act, 1947, the Factories Act, 1948, and even the consolidated labour codes fail to directly address this issue¹⁹⁶¹. The Industrial Disputes Act protects workers in cases of unfair termination or retrenchment but does not extend protection to periods between contracts¹⁹⁶². The Factories Act regulates working conditions, health, and safety within the active employment period, leaving temporal gaps unregulated¹⁹⁶³. Similarly, the Code on Wages ensures minimum remuneration but is applicable only during active service, offering no continuity for income or entitlements¹⁹⁶⁴. The consequence of these legal gaps is what scholars have termed "inter-contract vulnerability"¹⁹⁶⁵. Workers face a unique form of precarity that arises not from low wages or

¹⁹⁵⁰ Code on Wages 2019, s 6.

¹⁹⁵¹ Code on Social Security 2020, Ch II.

¹⁹⁵² Standing Committee on Labour, Report on Fixed-Term Employment in India (Parliament of India 2022).

¹⁹⁵³ Guy Standing, *The Precariat: The New Dangerous Class* (Bloomsbury 2011).

¹⁹⁵⁴ Arup Patnaik (n 2).

¹⁹⁵⁵ Ruth Dukes, 'Non-Standard Employment and the Law: Under-Explored Dimensions' (2021) 67 *International Journal of Comparative Labour Law* 89.

¹⁹⁵⁶ Arup Patnaik, 'Fixed-Term Employment Contracts and the Quest for Equality' (2022) 54 *Economic and Political Weekly* 34.

¹⁹⁵⁷ Industrial Relations Code 2020, s 21; Code on Social Security 2020, Ch II.

¹⁹⁵⁸ Code on Wages 2019, s 6.

¹⁹⁵⁹ Guy Standing, *The Precariat: The New Dangerous Class* (Bloomsbury 2011).

¹⁹⁶⁰ Standing Committee on Labour, Report on Fixed-Term Employment in India (Parliament of India 2022).

¹⁹⁶¹ Industrial Disputes Act 1947; Factories Act 1948; Code on Wages 2019.

¹⁹⁶² Industrial Disputes Act 1947, ss 2, 25F.

¹⁹⁶³ Factories Act 1948, ss 6–10.

¹⁹⁶⁴ Code on Wages 2019, s 6.

¹⁹⁶⁵ Ruth Dukes (n 1).

unsafe work conditions during employment, but from the absence of legal recognition and protection during contract intervals¹⁹⁶⁶. This gap highlights a systemic flaw in the Indian labour law framework, where protections are tied to the formal period of employment rather than the broader realities of employment patterns in a segmented and flexible labour market¹⁹⁶⁷.

Several comparative studies underscore that other jurisdictions, particularly in the European Union, recognise the need to limit such gaps. The EU Fixed-Term Work Directive, for instance, imposes restrictions on successive fixed-term contracts and provides for continuity of rights to mitigate employment gaps¹⁹⁶⁸. In contrast, Indian law remains silent on whether benefits, wages, or social security entitlements should continue during temporal gaps, leaving workers entirely exposed to economic and social insecurity¹⁹⁶⁹. Addressing temporal gaps is therefore crucial not only for ensuring economic justice and social protection but also for aligning India's labour regulations with emerging international norms. It raises pressing questions about whether legislative intervention or policy frameworks are necessary to extend certain benefits beyond the formal contractual period, thereby reducing systemic vulnerabilities for fixed-term workers¹⁹⁷⁰.

INTER-CONTRACT VULNERABILITY

The term “inter-contract vulnerability” refers to the structural precarity faced by workers during the periods between the end of one fixed-term employment contract and the commencement of another¹⁹⁷¹. Unlike standard employment vulnerabilities that arise during active service—such as low wages, unsafe conditions, or lack of social security—inter-contract vulnerability arises from temporal gaps in legal protection

and economic security¹⁹⁷². It represents a unique category of labour market risk, directly linked to the contractual and legal structure of fixed-term work¹⁹⁷³.

Legally, inter-contract vulnerability emerges because most Indian labour statutes tie protections, entitlements, and benefits exclusively to periods of active employment¹⁹⁷⁴. Fixed-term employees enjoy wages, provident fund contributions, social security benefits, occupational safety, and leave entitlements only while a contract is in force¹⁹⁷⁵. Once the contract expires, there is no statutory mechanism ensuring continuity of these protections¹⁹⁷⁶. Even the consolidated labour codes, such as the Industrial Relations Code, 2020, the Code on Wages, 2019, and the Code on Social Security, 2020, are largely silent on the treatment of workers in these inter-contract periods. Consequently, workers remain legally invisible, with limited avenues for redress.

From a social perspective, inter-contract vulnerability undermines workers' stability and dignity. Workers may face periods without income, healthcare, or social security, which can lead to increased stress, debt dependency, and social marginalisation. The uncertainty associated with gaps between contracts also affects family planning, access to housing, and long-term social integration. Workers may be forced to accept precarious informal work to bridge the gap, perpetuating cycles of instability and marginalisation.

Economically, temporal gaps reduce financial security, bargaining power, and employability. Workers are often forced to negotiate subsequent contracts under disadvantageous terms due to urgent financial needs, weakening their position in wage or benefit negotiations. Prolonged inter-contract periods may also

¹⁹⁶⁶ Guy Standing (n 5).

¹⁹⁶⁷ Arup Patnaik (n 2).

¹⁹⁶⁸ European Parliament and Council Directive 1999/70/EC concerning the Framework Agreement on Fixed-Term Work.

¹⁹⁶⁹ Industrial Relations Code 2020, s 21; Code on Wages 2019, s 6; Code on Social Security 2020, Ch II.

¹⁹⁷⁰ Ruth Dukes (n 1); Standing Committee on Labour (n 6).

¹⁹⁷¹ Ruth Dukes, ‘Non-Standard Employment and the Law: Under-Explored Dimensions’ (2021) 67 International Journal of Comparative Labour Law 89.

¹⁹⁷² Guy Standing, *The Precariat: The New Dangerous Class* (Bloomsbury 2011).

¹⁹⁷³ Arup Patnaik, ‘Fixed-Term Employment Contracts and the Quest for Equality’ (2022) 54 Economic and Political Weekly 34.

¹⁹⁷⁴ Industrial Relations Code 2020, s 21; Code on Wages 2019, s 6; Code on Social Security 2020, Ch II.

¹⁹⁷⁵ Industrial Relations Code 2020, s 21(3)–(4).

¹⁹⁷⁶ Standing Committee on Labour, Report on Fixed-Term Employment in India (Parliament of India 2022).

reduce eligibility for long-term benefits such as gratuity or provident fund accumulation, directly impacting retirement planning and long-term savings. In industries characterised by seasonal or project-based work, such vulnerability is pervasive, disproportionately affecting younger workers, women, and lower-skilled employees.

Inter-contract vulnerability also erodes collective bargaining power. Workers in temporal gaps are often unable to participate in union activities or assert claims without risking future engagement. Employers, aware of these vulnerabilities, may exploit gaps to reduce costs, bypass benefits, or restructure employment terms unfavourably. This asymmetry perpetuates structural precarity, making inter-contract periods a critical point of legal and social intervention.

By conceptualising inter-contract vulnerability, this study highlights a previously underexplored category of worker precarity, bridging doctrinal legal analysis with socio-economic realities. Recognising these gaps is essential to developing policy or legislative interventions that ensure continuity of protection, stabilize incomes, and enhance the bargaining power of fixed-term workers.

COMPARATIVE PERSPECTIVES ON FIXED-TERM EMPLOYMENT

International experiences offer valuable insights for addressing the structural vulnerabilities of fixed-term workers in India. Several jurisdictions have developed legal mechanisms to ensure equal treatment, continuity of benefits, and protection during inter-contract periods, which can serve as benchmarks for Indian labour reforms.

UNITED KINGDOM

In the UK, the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002 prevent employers from treating fixed-term employees less favourably than permanent

employees in comparable roles¹⁹⁷⁷. This framework ensures that fixed-term workers receive equivalent pay, leave entitlements, training opportunities, and other benefits, mitigating discrimination solely on the basis of contract duration¹⁹⁷⁸.

A distinctive feature of UK law is the recognition of continuous employment. Where fixed-term contracts are renewed consecutively, employees may be considered continuously employed for certain statutory entitlements, including notice periods, redundancy pay, and unfair dismissal protections¹⁹⁷⁹. By legally acknowledging the continuity of service, the UK reduces the risks associated with temporal gaps and strengthens workers' bargaining power when negotiating contract renewals¹⁹⁸⁰.

EUROPEAN UNION

The EU Fixed-Term Work Directive (1999/70/EC) establishes a framework to prevent the abuse of successive fixed-term contracts across member states¹⁹⁸¹. The Directive requires national legislation to limit successive fixed-term engagements unless objectively justified, promoting job security and equality of treatment¹⁹⁸².

Crucially, the Directive encourages member states to grant cumulative rights to workers on repeated fixed-term contracts, including benefits related to seniority, leave accrual, and social security contributions¹⁹⁸³. This provision ensures that short breaks between contracts do not result in loss of long-term entitlements, effectively addressing temporal gaps that contribute to worker precarity¹⁹⁸⁴.

¹⁹⁷⁷ Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002, SI 2002/2034.

¹⁹⁷⁸ UK Government, Fixed-term employment guidance (ACAS, 2020) <https://www.acas.org.uk/fixed-term-contracts>

¹⁹⁷⁹ Employment Rights Act 1996, ss 212–230.

¹⁹⁸⁰ Ruth Dukes, 'Non-Standard Employment and the Law: Inter-Contract Vulnerability' (2021) 67 International Journal of Comparative Labour Law 89.

¹⁹⁸¹ Council Directive 1999/70/EC concerning the Framework Agreement on Fixed-Term Work [1999] OJ L175/43.

¹⁹⁸² Ibid, arts 4–5.

¹⁹⁸³ Standing Committee on Labour, Report on Fixed-Term Employment in India (Parliament of India 2022).

¹⁹⁸⁴ Standing Committee on Labour, Report on Fixed-Term Employment in India (Parliament of India 2022).

GERMANY

Germany's Part-Time and Fixed-Term Employment Act (Teilzeit- und Befristungsgesetz, TzBfG) provides strong protections for fixed-term employees¹⁹⁸⁵. It limits arbitrary use of successive fixed-term contracts and recognises cumulative service when multiple contracts are engaged with the same employer within a defined timeframe¹⁹⁸⁶. The German model ensures that benefits such as severance pay, pension contributions, and leave accrual continue to be recognised even during brief inter-contract gaps. Employers are required to provide objective justification for contract renewals beyond the statutory limits, preventing the exploitation of temporary engagements¹⁹⁸⁷. This approach reduces systemic vulnerabilities and enhances economic stability for fixed-term workers.

Comparative experiences suggest several policy and legislative interventions that could reduce inter-contract vulnerability in India:

- Recognition of cumulative service: Successive fixed-term contracts should be treated as continuous for purposes such as social security, leave, and seniority benefits.
- Equal treatment provisions: Fixed-term employees should enjoy wages, benefits, and working conditions equivalent to permanent employees in similar roles.
- Limitations on successive contracts: Employers should provide objective justification for repeated fixed-term engagements to prevent exploitation.
- Bridging temporal gaps: Mechanisms such as temporary social security coverage, continuity of provident fund contributions, or wage guarantees during contract gaps could reduce economic insecurity.

¹⁹⁸⁵ Teilzeit- und Befristungsgesetz (TzBfG) 2001, Germany.

¹⁹⁸⁶ Ulrich Preis, Fixed-Term Employment in Germany (Nomos 2018) 102–110.

¹⁹⁸⁷ Ibid, 105–108.

IMPLICATIONS FOR LABOUR RIGHTS

The existence of temporal gaps between fixed-term contracts has significant implications for labour rights in India, particularly in the context of worker precarity, collective bargaining, and enforcement of statutory protections.

Inter-contract vulnerability generates a condition of precarity in which workers face periods without wages, social security, or legal entitlements¹⁹⁸⁸. Such structural precarity exposes workers to economic exploitation, as employers may leverage these gaps to impose less favourable terms in subsequent contracts or avoid compliance with labour obligations¹⁹⁸⁹. For instance, workers may be forced to accept lower wages, longer hours, or reduced benefits due to the urgent need for re-employment, undermining their bargaining power¹⁹⁹⁰.

Temporal gaps also undermine the collective bargaining strength of workers. Fixed-term employees who are between contracts are often excluded from union membership benefits, unable to participate in negotiations, or reluctant to assert rights for fear of jeopardising future employment opportunities¹⁹⁹¹. This reduces the effectiveness of labour representation and weakens the ability of workers to negotiate fair terms, perpetuating structural inequalities in the workforce.

Legal protections in India, including those under the Industrial Relations Code, 2020, the Code on Wages, 2019, and the Code on Social Security, 2020, primarily operate during active employment¹⁹⁹². As a result, workers in temporal gaps lack statutory avenues to enforce entitlements, such as minimum wages, provident fund contributions, or grievance redressal. Enforcement mechanisms are further

¹⁹⁸⁸ Guy Standing, *The Precariat: The New Dangerous Class* (Bloomsbury 2011).

¹⁹⁸⁹ Ruth Dukes, 'Non-Standard Employment and the Law: Inter-Contract Vulnerability' (2021) 67 *International Journal of Comparative Labour Law* 89.

¹⁹⁹⁰ Arup Patnaik, 'Fixed-Term Employment Contracts and the Quest for Equality' (2022) 54 *Economic and Political Weekly* 34.

¹⁹⁹¹ Standing Committee on Labour, Report on Fixed-Term Employment in India (Parliament of India 2022).

¹⁹⁹² Industrial Relations Code 2020, s 21; Code on Wages 2019, s 6; Code on Social Security 2020, Ch II.

complicated by the episodic nature of contracts, making it difficult for labour inspectors, courts, or tribunals to hold employers accountable for continuity of benefits. The combined effect of these factors is that inter-contract vulnerability weakens labour rights, both individually and collectively. Workers face heightened risk of economic insecurity, diminished negotiating power, and reduced legal protection, creating a systemic disadvantage within the labour market. Addressing these challenges requires legal recognition of inter-contract periods, mechanisms to ensure continuity of benefits, and policies that strengthen collective bargaining for fixed-term workers.

PROPOSED RECOMMENDATIONS AND SOLUTIONS

To address the structural vulnerabilities faced by fixed-term employees during temporal gaps, India requires a combination of legal, regulatory, and policy interventions. The following recommendations aim to reduce inter-contract vulnerability, ensure continuity of protections, and strengthen labour rights:

1. Legal Recognition of Inter-Contract Periods

The first step is to legally recognise inter-contract periods as part of employment for the purpose of statutory protections. By defining these gaps within the scope of employment law, workers would maintain continuity in areas such as wages, social security contributions, and leave entitlements, reducing precarity between successive contracts.

2. Pro-Rated Social Security and Minimum Benefits

For gaps of short duration, legislation could mandate pro-rated contributions to social security schemes and partial entitlement to benefits such as provident fund, health coverage, and gratuity. This approach ensures that workers are not entirely unprotected during brief breaks in employment while balancing employer flexibility.

3. Cumulative Counting of Contract Periods

Legislation should encourage cumulative counting of successive fixed-term contracts to calculate benefits such as leave accrual, provident fund contributions, and gratuity eligibility. By recognising cumulative service, workers' long-term entitlements are preserved even when their employment is fragmented. This principle has been successfully implemented in jurisdictions such as the UK, Germany, and EU member states.

4. Amendments to Labour Codes

The Industrial Relations Code, 2020 and the Code on Social Security, 2020 should be amended to explicitly cover inter-contract periods. Provisions could clarify that:

- Rights under active contracts extend, pro-rata, into short temporal gaps.
- Successive contracts within a defined period are considered continuous for benefit calculation.
- Employers are prohibited from using contract gaps to avoid statutory obligations.
- Such amendments would close existing legal loopholes, providing statutory certainty to both workers and employers.

5. Awareness and Capacity-Building Programs

Finally, the government and labour departments should promote awareness campaigns for workers and employers. Workers must be informed of their rights and protections under fixed-term employment, while employers should be trained on compliance requirements, including cumulative benefits and inter-contract protections. These programs can improve enforcement, reduce exploitation, and foster a culture of legal compliance.

CONCLUSION

Fixed-term employment has emerged as a key feature of the contemporary Indian labour market, providing flexibility to employers and accommodating short-term or project-based

work. However, while these contracts are legally recognised, they expose workers to temporal insecurity, creating periods in which wages, social security, and statutory protections are absent. This inter-contract vulnerability represents a critical gap in the labour law framework, revealing that the protections intended to ensure fairness and stability are not fully realised for non-continuous workers. The consequences of these temporal gaps are profound: workers experience economic instability, reduced bargaining power, and limited access to enforcement mechanisms, which collectively weaken the effectiveness of labour rights. Fixed-term employees, particularly women, young workers, and those in low-skilled or gig roles, are disproportionately affected, highlighting a structural inequality within the system. Without recognition of these gaps, the promise of equitable labour protection remains incomplete.

To bridge this vulnerability, India must adopt holistic legislative and policy measures. Recognising inter-contract periods as part of employment, mandating continuity of benefits, enabling cumulative counting of successive contracts, and enforcing employer accountability are essential reforms. Complementing these with targeted awareness and training initiatives for both workers and employers can further strengthen compliance and protection. By addressing these gaps, India can ensure that fixed-term employment remains both flexible and fair, transforming legal recognition into meaningful, inclusive protection for all workers.

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