

Industrial Relations Code (Amendment) Bill 2026 - Ensuring Legal Continuity Amid Political Contestation

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Industrial Relations Code (Amendment) Bill 2026 Latest News

- Recently, the Lok Sabha passed the Industrial Relations Code (Amendment) Bill 2026, aimed at **preventing** potential legal **confusion** regarding the repeal of older labour laws replaced by the Industrial Relations **Code, 2020**.
- The amendment seeks to reinforce legal certainty around the repeal and continuity provisions embedded in the Code.
- The debate once again brought the larger issue of labour **reforms** vs. labour **rights** to the forefront — a recurring theme in contemporary Indian polity and governance.

Background

- The Industrial Relations **Code, 2020** is one of the four Labour Codes enacted to consolidate and rationalise India's labour laws.

- It **subsumed** three major legislations:
 - The Trade Unions Act, 1926 (dealt with trade union recognition)
 - The Industrial Employment (Standing Orders) Act, 1946 (conditions of employment)
 - The Industrial Disputes Act, 1947 (industrial dispute resolution)
- The objective was to **streamline** labour regulations under a unified framework and promote ease of doing business (EoDB) while protecting worker rights.

Why the Amendment?

- **Issue of repeal and legal clarity:**
 - Section 104 of the 2020 Code already provides for repeal of the above Acts. However, concerns emerged that there could be future legal challenges claiming that repeal power was improperly delegated to the executive.
 - Confusion may arise over whether repeal occurred automatically or via government notification.
- **The 2026 amendment:**
 - It clarifies that repeal occurred by operation of Section 104 itself.
 - Reinforces savings provisions ensuring continuity of actions taken under old laws.
 - Prevents “future unwarranted complications.”
- **In essence:** This is a legal housekeeping exercise, but one with constitutional implications relating to delegated legislation and legislative competence.

Government’s Position

- The Union Labour Minister defended the amendment and the broader labour codes as reforms for labour welfare.
- **Key claims:** These
 - Guarantee of minimum wages
 - Mandatory issuance of appointment letters
 - Uniform wages irrespective of gender (equal pay for equal work)
 - Greater transparency and formalisation of labour relations
 - Commitment to balancing worker welfare and industrial growth
- The government framed the reform as a historic structural change aimed at protecting labourers while enhancing **economic efficiency**.

Opposition’s Criticism

- Opposition parties raised sharp concerns calling reforms as **anti-labour**.
- **Major objections:**
 - The Code allegedly enables “ease of firing” without “ease of hiring.”
 - This results in weakening of job security, potential increase in working hours, favouring corporates over workers.
 - Retrospective amendment reflects complete failure of government, as this repealing of the old Act should have been done before the new law was passed.

- The Opposition also linked labour **unrest and strike** calls to dissatisfaction with the government's approach.

Challenges and Way Forward

- **Trust deficit:** Persistent suspicion among trade unions and opposition parties. Structured dialogue with trade unions.
- **Implementation gap:** Ensuring uniform enforcement across states. Transparent rule-making at state level.
- **Balancing act:** Promoting investment while protecting labour rights. Clear communication on safeguards against arbitrary termination. Strengthening labour inspection and compliance systems.
- **Judicial scrutiny:** Possibility of constitutional challenges. Judiciary must balance labour rights and EoDB.
- **Industrial unrest:** Strikes and labour mobilisation. Periodic review mechanisms to assess impact on employment and industrial relations. A reform of this scale must be both economically rational and socially sensitive.

Conclusion

- The Industrial Relations Code (Amendment) Bill 2026 may appear technical, but it underscores a larger debate: How should India **modernise** its labour regime in a fast-changing economy?
- The amendment primarily seeks to eliminate legal ambiguity regarding repeal of older labour laws.
- However, the political contestation around it reveals deeper **anxieties** about worker protections, job security, and the balance between capital and labour.
- For a country aspiring to become a global manufacturing hub, labour reform is inevitable.
- The real test lies not in legislative consolidation alone, but in ensuring that reform translates into industrial **harmony, social justice**, and inclusive growth.

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