

FAQ on Myths and Realities of Industrial Relation (IR) Code 2020

Q 1. Whether the Industrial Relation Code in any way takes back workers' right relating to form trade unions?

Ans : No. The apprehension is totally incorrect. Provisions related to registration of trade union have been retained under Chapter-III of IR Code 2020.

Q 2. Whether IR Code bans all strikes?

Ans : No. The Industrial Relations (IR) Code, 2020 does not ban strikes. Right to strike remains intact under IR Code with mandatory 14 days notice period before going on strike.

Q 3. Whether the worker will need government permission to go on strike in IR Code?

Ans : No permission is required from the Government under the IR Code. However, 14-Days prior strike notice will be required which will facilitate both employer and union for immediate resolution of their dispute through timely conciliation leading to reduced their conflict.

Q 4. Whether IR Code allows employers to retrench workers freely?

Ans : No. The provisions for mandatory one month notice and retrenchment compensation continue to exist. Prior permission will be required for retrenchment by establishments having 300 or more workers.

Q 5. Is it true that trade unions lose their grievance redressal role?

Ans : No. It is not true. Instead Trade Unions get statutory backing in the form of negotiating union/negotiating council under the code thereby strengthening their collective bargaining. The code also provides for bipartite forums like Works Committee and Grievance Redressal Committee, having equal representation will facilitate time bound redressal of grievances of workers.

Q 6. Whether, the Code ends job security for permanent workers and promotes hire and fire?

Ans : No. The workers rights and job security remain protected in the IR Code with provisions for mandatory one month notice and retrenchment compensation. Prior permission will be required for retrenchment by establishments having 300 or more workers

Q 7. Is it true that Fixed-Term Employment (FTE) is exploitative?

Ans : No. Fixed Term Employees will be eligible for all benefits (EPF, ESI, flexible working hours, timely and minimum wages) equal to permanent employees. They will also be eligible for Gratuity on completion of one year of service. This will reduce

contractualisation. Fixed Term Employee will get appointment letter directly from the employer enhancing their pride. This will also increase their employability as freshers can gain experience in a short span of time and enhance specialized skills.

Q 8. Whether the new provisions under IR Code will allow the employers with less than 300 workers to fire without restriction?

Ans : No. The requirement for mandatory one month notice and retrenchment compensation for every completed year of service continue. Prior permission will be required for retrenchment by establishments having 300 or more workers. Also, additional provision of re-skilling fund for retrenched workers to enhance their skills to get better job perspective has been introduced for the welfare of the worker.

Q 9. Whether the conciliation mechanism is abolished under IR Code?

Ans : No. Rather, the conciliation mechanism have been streamlined and conciliation is now made compulsory in all strike notice and conciliation proceeding shall be commenced on the 1st meeting of conciliation. Fixed time-line, digital process and clear jurisdiction will now facilitate for faster settlement of disputes.

Q 10. Is it true that Labour Courts are being abolished?

Ans : The Labour Courts and Industrial Tribunals will be replaced with a **simplified two-tier tribunal system** reducing delays and multiplicity of forums. Instead of one member the IR Code has introduced two member Tribunals for speedy delivery of justice.

Q 11. Is it true that workers cannot collectively bargain or protest?

Ans : No. Mandatory recognition of a sole negotiating union/council strengthens structured bargaining by the workers with their employer.

Q 12. Is it true that Industry closure no longer needs approval?

Ans : Lay-off/Retrenchment/Closure have been well regulated under IR Code. Industries having 300 workers on any day of previous year will need prior permission from the Government. All benefits such as retrenchment compensation, priority in re-employment, etc. have been kept under IR Code.

Q 13. Is it true that workers' participation in management is removed?

Ans : Workers' participation have been ensured through Bipartite forums such as Works Committees and Grievance Redressal Committees under the IR Code.

Q 14. Whether penalty provision for employer violations in IR Code are removed?

Ans : No. Penal provisions are not compromised instead penalties have been substantially increased and made commensurate with the offences.

Q 15. Is it correct that IR Code centralizes all labour powers?

Ans : No. "Labour" is a concurrent subject under the Constitution of India and its jurisdiction is clearly defined in the codes. The State governments are appropriate government under all the four Labour Codes and they have to exercise their power as appropriate government.

Q 16. Whether abolition of Labour Courts will delay the workers justice?

Ans : No. With the provision of 2 member Industrial Tribunal, the justice will be speedily delivered.

Q 17. Whether the Code favours employers only?

Ans : No. The code protects the interest of workers through the provisions of negotiating unions/councils, works committee, Grievance redressal committee, requisite safeguards before retrenchment/lay-off and closure and effective dispute resolution mechanism.

Q 18. Whether sales promotion employees are not treated as "employees" and therefore not entitled to labour protections?

Ans : No. The sales promotion employees are legally recognized under the definition of 'worker' under the IR code.

Q 19. Is it true that the "Journalists" are freelancers and therefore not "employees"?

Ans : "Working Journalist" employed in a newspaper/agency have now been included under the definition of worker under the IR Code.

Disclaimer: The above FAQs are for information purposes only, to enable public to have quick and easy access to information, and do not purport to be legal documents. In case of any variance between what has been stated and what is contained in the relevant Labour Code, the latter shall prevail.