

Editorial of the Day – 14.02.2026

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- 1. The labour codes redefine wages, empower the worker (TH)

General Studies 3– Economy

Topic– Labour Relations

The labour codes redefine wages, empower the worker. There will be an expansion of worker benefits, his financial inclusion, and an enhancement of his long-term social security.

The implementation of India's labour codes marks a decisive shift towards greater financial inclusion of the workforce by embedding social security, income protection, and long-term financial safeguards into the employment relationship.

Key Features of India's New Labour Codes

Uniform Definition of Wages– A standardised definition of 'wage' ensures that basic pay constitutes at least 50% of total remuneration. It impacts higher contributions to Provident Fund (PF), pension, and gratuity, leading to stronger long-term financial security.

Universal Minimum Wage– Introduction of a national floor wage, below which no state can fix minimum wages. It aims to reduce wage disparities and protect low-income workers.

Timely Payment & Limited Deductions– Mandates timely payment of wages and restricts arbitrary deductions, and enhances income stability and prevents exploitation.

Simplified Dispute Resolution– Creates faster mechanisms for resolving industrial disputes through tribunals and conciliation.

Recognition of Trade Unions– Provides criteria for recognition of negotiating unions in establishments.

Fixed-Term Employment Formalisation– Legally recognises fixed-term employment, ensuring equal benefits (including gratuity after one year) at par with permanent workers.

Layoff & Retrenchment Threshold Changes– Increases the employee threshold for prior government approval for layoffs and retrenchments (from 100 to 300 workers).

Expanded Social Security Coverage– For the first time, gig workers, platform workers, and unorganised workers are formally recognised.

Provident Fund & Pension Expansion– Extends coverage to more establishments and worker categories.

Gratuity for Fixed-Term Workers– Eligibility after one year of service, strengthening income protection.

Benefit Portability– Enables portability of benefits across states and employment, crucial for migrant labour.

Improved Workplace Safety Standards– Consolidates multiple safety laws into one framework applicable across sectors.

Working Hours & Leave Provisions– Standardises working conditions and leave entitlements.

Protection for Migrant Workers– Mandates better registration systems and access to welfare schemes.

Structural Features & Macroeconomic Implications

Consolidation of 29 Laws into 4 Codes– Reduces fragmentation and simplifies compliance for employers while improving clarity for workers.

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Digital Compliance & Transparency– Encourages online registration, electronic record-keeping, and unified licensing.

Financial Inclusion Focus– By strengthening wage definitions and expanding social security, the codes enhance long-term savings, retirement security, insurance access, and income stability.

Higher Consumption– Workers' income typically circulates within the domestic economy.

Improved Savings Behaviour– Stronger PF and gratuity accumulation builds long-term financial assets.

Greater Financial System Participation– Formal wage structures encourage banking and institutional engagement.

Key Challenges in Implementing India's New Labour Codes

Delayed Implementation & State-Level Readiness– Although Parliament passed the four codes in 2019–2020, they require states to frame rules before full enforcement. Labour is a concurrent subject under India's Constitution, meaning both the Centre and states legislate on it.

Implementation Capacity & Enforcement Gaps– The shift from inspector-based regimes to an 'Inspector-cum-Facilitator' model aims to reduce harassment and promote compliance. Other concerns include limited staffing in labour departments, digital infrastructure gaps, and weak monitoring mechanisms.

Social Security Financing for Gig & Informal Workers– Under the Code on Social Security, 2020, gig and platform workers are formally recognised.

Industry Concerns Over Cost Implications– The revised wage definition under the Code on Wages, 2019 requires basic wages to constitute at least 50% of total remuneration.

Trade Union Opposition & Political Resistance– Under the Industrial Relations Code, 2020–

1. The threshold for prior government approval for layoffs increased.
2. Stricter conditions for strikes introduced.
3. Trade unions argue these provisions dilute collective bargaining power.

Informal Sector Integration Complexity– India's workforce is predominantly informal. Formalising such a vast and diverse labour force poses structural challenges like lack of documentation, migrant mobility, limited financial literacy, and employer resistance in small enterprises.

Awareness & Financial Literacy Gaps– Many workers are unaware of their rights regarding provident Fund (retirement savings scheme), gratuity (exit benefit after service), insurance and welfare schemes. Without targeted awareness campaigns, benefits may remain underutilised.

Risk of Compliance Burden on MSMEs– Micro, Small and Medium Enterprises (MSMEs) may struggle with digital compliance requirements, record-keeping obligations, and cost of higher social security contributions.

Key Suggestions for Effective Implementation of India's Labour Codes

Ensure Timely and Uniform State Implementation– Since labour is a concurrent subject, states need to frame their rules before the codes become fully operational. Key suggestions include–

1. Set clear timelines for state rule notification;
2. Encourage inter-state coordination for uniformity;
3. Develop model rules to minimise variation;

Strengthen Administrative and Digital Capacity– The shift to digital compliance and the Inspector-cum-Facilitator model requires robust infrastructure. Key suggestions include–

1. Upgrade labour department staffing and training;

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2. Invest in unified digital portals for registration and reporting;
3. Use data analytics for risk-based inspections;

Create a Sustainable Financing Framework for Gig Workers- The inclusion of gig and platform workers is transformative, but financing mechanisms must be clear and viable. Key suggestions include-

1. Define transparent contribution formulas for aggregators;
2. Introduce co-contribution models (government, platform and worker together);
3. Establish a central social security fund for gig workers;

Balance Worker Welfare with Industry Competitiveness- The revised wage definition under the Code on Wages, 2019 increases social security contributions. Key suggestions include-

1. Provide transitional compliance periods for MSMEs;
2. Offer tax incentives for higher social security compliance;
3. Encourage phased restructuring of salary components;

Enhance Worker Awareness and Financial Literacy- Legal entitlement does not guarantee effective access. Key suggestions include-

1. Conduct nationwide awareness campaigns;
2. Simplify communication of PF, pension, and gratuity benefits;
3. Integrate labour rights education into skilling programs;

Build Trust Through Social Dialogue- Opposition from trade unions highlights the need for participatory governance. Key suggestions include-

1. Institutionalise tripartite consultations (government, employer and worker);
2. Publish transparent implementation reports;
3. Set up grievance redressal mechanisms;

Focus on Informal Sector Integration- India's workforce is predominantly informal, making formalisation a structural challenge. Key suggestions include-

1. Simplify registration procedures for small enterprises;
2. Use Aadhaar-linked digital identification systems for portability;
3. Provide onboarding incentives for informal businesses;

Monitor and Evaluate Impact Periodically- Reform needs to be evidence-based and adaptive. Key suggestions include-

1. Establish periodic impact assessments;
2. Collect real-time data on wage compliance and social security coverage;
3. Allow mid-course corrections where necessary;

Conclusion

India's labour codes should be understood not merely as regulatory reform, but as a structural intervention aimed at financial inclusion. The codes promote income security, financial dignity, and a more equitable distribution of economic value by reforming wage definitions, extending gratuity to fixed-term workers, expanding social security to gig and informal workers, ensuring minimum wages and timely payments.

Source- <https://www.thehindu.com/opinion/op-ed/the-labour-codes-redefine-wages-empower-the-worker/article70629559.ece>

2. India preferred BNP in Bangladesh, and it won. What's next now? (ET)

General Studies 3– International Relations

Recent Political Upheaval– From Protests to Elections

Mass Protests and Collapse of Hasina's Government

In 2024, mass protests erupted nationwide, initially over public sector job quota reforms but rapidly expanding into broader anti-government demonstrations against alleged authoritarianism, human rights abuses, and governance failures. These protests led to the resignation and flight of Prime Minister Sheikh Hasina from Bangladesh on 5 August 2024.

The uprising—often referred to as the July Revolution—marked the end of Hasina's 15-year rule and triggered a constitutional crisis, as Bangladesh's legal framework lacked provisions for the formation of an interim government following the prime minister's departure.

Formation of Interim Government

In the ensuing power vacuum, an interim government was formed on 8 August 2024 under Muhammad Yunus, the Nobel laureate and economist proposed by protest leaders and political stakeholders to restore stability, oversee reforms, and prepare for credible elections.

2026 General Elections and BNP Victory

General elections were held on 12 February 2026, the first since the 2024 uprising. The Bangladesh Nationalist Party (BNP), led by Tarique Rahman, secured a two-thirds parliamentary majority, marking a historic electoral shift.

In these elections–

1. BNP won a commanding majority of seats.
2. Bangladesh Jamaat-e-Islami emerged as the second-largest party with significant parliamentary presence.
3. The Awami League was barred from contesting, its registration suspended during the interim period.

Swearing-In and Parliamentary Dynamics

Tarique Rahman was sworn in as Prime Minister shortly after the election, leading a cabinet that combined BNP leaders and technocrats. Some allied parties, including Jamaat-e-Islami and the National Citizen Party, boycotted parts of the swearing-in ceremony over procedural disagreements linked to proposed constitutional reforms.

Structural and Policy Implications of the Transition

Transformation of Political Spectrum

The 2026 elections effectively ended the long-standing "*Battle of the Begums*"—the rivalry between BNP's Khaleda Zia and Awami League's Sheikh Hasina—ushering in a new leadership era under Rahman. The rise of Jamaat-e-Islami with substantial seats signals an increased role for conservative and religious political forces in Bangladesh's legislature and policy discourse.

Constitutional and Institutional Reform Pressure

Following the uprising, the "July Charter" (a major political declaration emerging in October 2025 during the interim period) advocated for deep reforms including–

1. Curtailing overarching executive powers to prevent authoritarian concentration.
2. Institutionalising a neutral interim system for elections to ensure credibility.

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3. Establishing an upper chamber (second house) to strengthen checks and balances (akin to India's Rajya Sabha).
4. These demands reflect widespread calls for structural change to promote democratic governance and mitigate executive dominance.

Challenges in Implementation

Early post-election dynamics show that the process of constitutional and reform implementation faces logistical and procedural hurdles, such as the inability to fully constitute the proposed Constitutional Reform Council due to procedural complications.

Broader Domestic and Social Challenges

Reconciliation and Political Polarisation

Reintegrating the Awami League and other excluded political actors into mainstream politics remains a critical test for long-term stability. Addressing the grievances of supporters of the previous regime and mending fractures in the political ecosystem are essential to prevent recurring instability.

Restoration of Civil Liberties

Restoring civil liberties, ensuring the release of political prisoners, and protecting freedom of expression and assembly are key benchmarks for democratic credibility moving forward.

Institutional Autonomy

Autonomy of key institutions—such as the army, judiciary, and Election Commission—will be crucial to rebuilding public confidence in state neutrality and fairness.

India–Bangladesh Relations in the New Context

Diplomatic Recalibration

Historically, the BNP has had more cautious relations with India, while the Awami League maintained closer bilateral ties. Despite that history, India was among the first countries to congratulate Tarique Rahman on his election victory and expressed diplomatic goodwill, including high-level interactions following important personal events in Rahman's life.

Strategic Considerations for New Delhi

India's foreign policy calculus in Dhaka faces several imperatives—

1. Avoid overtly aligning with a single party or leader to maintain balanced relations across Bangladesh's political spectrum.
2. Strengthen people-to-people linkages through cultural, educational, trade, and developmental cooperation rather than purely state-to-state engagements.
3. Continue diplomatic engagement with the new government while safeguarding the security and well-being of Indian minorities and diplomatic missions.

Conclusion

Bangladesh's political landscape has undergone a dramatic upheaval since 2024, moving from prolonged one-party dominance under Sheikh Hasina to a paradigm shaped by mass mobilization, constitutional debate, and electoral turnover. The rise of the BNP under Tarique Rahman and the enhanced role of conservative parties highlight shifting political currents.

Key challenges ahead include implementing institutional reforms outlined in the July Charter, nurturing political reconciliation, and consolidating democratic institutions that can withstand polarization. For regional actors like India, navigating this transition demands balanced diplomacy and an emphasis on institution-centric engagement over partisan preferences.

Source- <https://economictimes.indiatimes.com/news/international/world-news/tarique-rahman-bangladesh-election-result-india-impact-new-delhi-backed-bnp-in-bangladesh-and-it-won-whats-next-now/articleshow/128299227.cms?from=mdr>

