

Fixing And Revision Of Minimum Wages In India

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Abstract: Fixation of minimum wages is one of the important problems of the industrial workers prevailing in the country and therefore, there is a need to fix some minimum wage to prevent exploitation of labour. The granting of minimum wage to the workers is one of the essential requirements at present. The workers in India have been mostly unorganised and are easily exploited by the employers, they have been paid little wages where, even the prisoners are able to get better facilities and better rations in jails than that of industrial workers. The present paper focuses on wage fixation in India where, it is based on Secondary data only (2006 and 2013) has been undertaken. The statistical tools used in the study are simple tables and graphs. The present paper tries to examine the minimum wages in India where, the fixation of minimum wages varies from categories of workers to workers due to which industrial disputes takes place, standard of living is low, there is inefficiency of the worker and also indebtedness which needs to be taken care of and is also a major and burning issue occurring in industries in India over the years. The paper has also identified that many states in India minimum wages have not been fixed which also includes 44 scheduled employments under State Sphere for which minimum wages have not been fixed in states like Andhra Pradesh 72, Assam 72*, Kerala 46*, Tamil Nadu 62*, West Bengal 55* and Pondicherry 6* among Union Territories. It has also tried to explain Minimum wages fixed/ revised in different states in India (2006 and 2013) per day for unskilled workers (as on 31st December) where, Minimum wages was not fixed/ revised in 2006 as that of 2013 with respect to Arunachal Pradesh, Assam, Jharkhand, Karnataka, Maharashtra, Meghalaya, Nagaland, Punjab, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, D & N Haveli, Daman & Diu, Lakshadweep and Puducherry as compared to CLC (Central), Andhra Pradesh, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Kerala, Madhya Pradesh, Manipur, Odisha, Rajasthan, Uttarakhand, A & N Islands, Chandigarh and Delhi observed number of scheduled employments in which minimum wages was fixed/ revised during 2006 and 2013. In case, of Mizoram state it is not even 1% where the number of scheduled employments in which minimum wages fixed/ revised during 2006 and 2013 which needs immediate attention. The granting of minimum wage to the workers is one of the essential requirements and need of the hour where, the Government should also fix minimum rate of wages in some states as it has not been fixed yet. The machinery for fixation of minimum wages in India has not been uniform. Fixation of different rates in different regions for different categories of workers often makes the structure of minimum wage very complex.*

Keywords: Minimum wages, industrial workers

I. INTRODUCTION

Minimum wage is the one which provides not merely for bare sustenance of life, but also for the preservation of the efficiency of the worker. It also should provide for some measure of education, medical requirements and amenities, besides, needs of the workers, other factors like ability of the concern to pay, nature of the jobs should also be considered. (

Aswathappa, K). According to Wages Committee, "Minimum Wages should provide not only for the bare necessities of a worker whereas should also provide for the efficiency of the worker. It should also provide for all requirements of education, health, and other essential amenities". The most important problem is that of the low wages of the industrial workers prevailing in the country, and the need for fixing a minimum wage for workers in India. The granting of

minimum wage to the workers is one of the essential requirements of the Country at present. Minimum wages must be fixed in certain 'sweated' industries where workers are being exploited, to begin with. The workers in India have been mostly un-organised and are easily exploited by the employers, who pay them as little wages as possible. It is sometimes, estimated that even the prisoners are able to get better facilities and better rations in jails as that of the industrial workers. A number of problems like that of industrial disputes, low standard of living, inefficiency of the worker, indebtedness etc, are connected with the problem of low wages. Fixing of minimum wage also requires to ensure mutual good-will and trust between the employers and workers and to mitigate the evils of industrial disputes. Hence, fixing and revision of minimum wage for the industrial workers is of vital importance to the industrial life, workers health, strength and morals, his efficiency will be increased, the production will be greater and many industrial problems will be automatically solved. If the low wages are due to inefficiency, a minimum of wage may improve the standard of living and may bring about improvement in efficiency. The objective of a minimum wage can be best achieved, if it is declared at first on the basis of minimum requirements of food, clothing and shelter for a human-being and then it may be fixed according to different occupations, grades and local conditions. According to H.A.Turner, the protection of workers against exploitation or unduly low wage remains wage policy's major pre-occupation for the under-developed areas. The aim of Minimum Wages Act 1948 is to fix minimum wages in certain employments, where in sweated labour is most prevalent or where there is a big chance of exploitation of labour. The main provisions of the Act are as follows; the Act empowers the Central or the State Government, as the case may be, to fix within a specified period, minimum rates of wages payable to employees including clerks working in certain scheduled employments. The Minimum rates of wages need not be fixed in respect of any employment in a state, if it employs less than 1,000 employees.

DEFINITION

'Minimum Wages' is the bare subsistence money required by the worker not only to meet the basic needs such as food, shelter, clothing but it also includes money required for medical expenses, education for children and travelling expense to a worker in a family. Family consists of husband, wife and two children. (Sreenivasan, M.R. Pp.27.1)

In April 2016, Union Labour Minister Bandaru Dattatreya announced that the government will raise the minimum wage for contract workers to Rs. 10,000 per month. Why Have a Minimum Wage? Minimum Wage Act is one of the first laws of Independent India, legislated in 1948, even before we had a constitution in place. Why was it enacted? The real motive was to buy peace on behalf of a national bourgeoisie that had to manage a working class that was far more militant in those days. But there were other reasons as well. India was a poor country with a major surplus of labour. There were too many jobs where labour did not have the bargaining power to demand a wage sufficient to survive on. Conditions where

employers get away with paying workers too little generate several social costs, such as poverty, malnutrition, endemic debt leading to bonded labour, and child labour, which could be avoided through fair wages. The Tripartite Committee on Fair Wages, appointed in 1948, defined 3 levels of wages; a living wage, a fair wage and a minimum wage. Living Wage is what a human being needs to get the basic essentials of food, shelter, clothing protection against ill-health, security for old age, etc. A fair wage is lower than the living wage and takes into account efficiency, from the employer's perspective. Minimum Wage is similar to fair wage except in 2 respects; it is even lower, and has a statutory dimension. The resolution passed at the 15th Indian Labour Conference in 1957 mandates taking into account five factors for calculating minimum wage;

- ✓ The wage must support 3 consumption units (individuals)
- ✓ Food requirement of 2,700 calories a day
- ✓ Clothing requirement of 72 yards per worker's family.
- ✓ Rent for housing area similar to that provided under the subsidized housing scheme.
- ✓ Fuel, Lighting and miscellaneous items of expenditure to constitute 20% of minimum wage. In 1991, the supreme court called for adding another 25% to wage yielded by above calculation in order to take into account children's education, medical requirements etc. If calculated using these parameters some, estimates put minimum wage at Rs.26,000 per month. This amount Central government employees unions are demanding from the 7th Pay Commission, which had fixed their minimum wage at Rs.18,000. Typically, the actual minimum wage is close to or less than Rs.4, 800 currently, the National Floor Level Minimum Wage. (The Hindu, 1st September, 2016).

The present study tries to examine the fixation of minimum wages in India where, it is the need of the hour due to which workers are facing lot of problems where, industrial disputes are among the one. The study also examines the number of 'scheduled employment' and minimum wages in India and to suggest measures for the betterment of wage fixation in India. The present study is based on secondary data only (2006 and 2013). The simple tools are used in the study like tables and graphs. The data is collected from Report of National Commission on Labour, Pocketbook of Labour Statistics 2009 and 2014.

II. REVIEW OF LITERATURE

The following are the studies which are being reviewed, they are as follows;

Giri, D.V et.al (1997) in their findings an attempt has been made to critically discuss the working of the Minimum Wages Act in Orissa during last four and half decades. It is observed that in recent years political factors have tended to play a dominant role as compared to other factors in determining or revising the minimum rate of wages in states. The increase in money wages over the years did not ensure any significant rise in real wage. Even these paltry minimum wages were not paid in most of the establishment in unorganized sector. In adequately staffed enforcement machinery and lack of political will on the part of Government

to ensure payment of minimum wages to all workers employed in unorganized sector were among the major factors responsible for non-implementation. One of the major recommendations of the study is that the Government should involve the NGOs/Voluntary Organisation in ensuring payment of wages. The paper also tries to analyse two major processes with which the Act is broadly, concerned viz, fixation of minimum wages (norm setting process) and enforcement of minimum rates of wages by the inspecting staff of labour Directorate (norm enforcement process). Political factors play a crucial role in fixing or revising the minimum rate of wages. The Government should involve NGOs or Voluntary Organisation in ensuring the payment of minimum wages to all employees engaged in scheduled employments. Jhabvala, Renana (1998) in her findings, an attempt has been made where Minimum wage for unorganized workers based on their need is an urgently required strategy for poverty removal, together with programmes to expand productive employment and social security measures covering health care, child care, housing, oldage benefits, maternity benefits. The study has also tried to give importance to remove poverty, productivity and efficiency of workers, looking after the next generation, Elimination of child labour, non-implementation of existing minimum wage where, large number of workers live below poverty line. Large-scale unemployment, exemptions from minimum wage for government works, non-fixation of minimum wage, low fixation of piece the minimum wage by social security measures. Srijia (1999) in his study the paper tries to examine the efforts made by Government of India since the enactment of Act to improve the relevance of minimum wages, its impact in bringing the workers out of poverty line, the issues that still persist and way forward. The minimum wages was enacted in 1948 immediately after India attained independence. But even today a large section of the workforce remains outside the purview of Minimum Wages Act. Hence, the present study has made an attempt to study the fixing and revision of minimum wages in India.

III. OBJECTIVES

The study has the following objectives. They are as follows;

- ✓ To examine the number of scheduled employments and fixation and revision of minimum wages in India
- ✓ To suggest measures for the betterment of fixation and revision of minimum wages in India

IV. MATERIAL AND METHOD

The present study is based on secondary data only (2006 and 2013). The data is collected from Report of National Commission on Labour, Pocketbook of Labour Statistics 2009 and 2014 and simple tools like tables and graphs have been used.

V. RESULT AND DISCUSSION

A. TO EXAMINE THE NUMBER OF SCHEDULED EMPLOYMENTS IN DIFFERENT STATES AND FIXATION AND REVISION OF MINIMUM WAGES IN INDIA

The table 1 below shows, number of scheduled employments in different states where with respect to Sikkim state the minimum wages act 1948, have not yet been extended and enforced with respect to number of scheduled employments. Manipur state has least number of scheduled employments 5 as compared to Orissa has 83 number of scheduled employments. States like Andhra Pradesh 72*, Assam 72*, Kerala 46*, Tamil Nadu 62*, West Bengal 55*, the minimum wages have not fixed yet and includes 44 scheduled employments under State Sphere for which minimum wages have not been fixed yet. With respect to Union Territories, the number of scheduled employments is 72 in Daman and Diu as that of Andaman and Nicobar Islands is 4. In case of Pondicherry the number of scheduled employments for which minimum wages have not been fixed yet is 6*. The total number of scheduled employments for Centre/States/Union Territories is 1254 **.

Sl.No.	Centre/States/UTs	No. of Scheduled Employments
1.	Central Sphere	44
2	Andhra Pradesh	72*
3	Arunachal Pradesh	25
4	Assam	72*
5	Bihar	74
6	Goa	23
7	Gujarat	49
8	Haryana	50
9	Himachal Pradesh	24
10	Jammu & Kashmir	18
11	Karnataka	59
12	Kerala	46*
13	Madhya Pradesh	36
14	Maharashtra	62
15	Manipur	5
16	Meghalaya	21
17	Mizoram	3
18	Nagaland	36
19	Orissa	83
20	Punjab	60
21	Rajasthan	38
22	Sikkim	Minimum Wages Act, 1948 have not yet been extended and enforced.
23	Tamil Nadu	62*
24	Tripura	9
25	Uttar Pradesh	65
26	West Bengal	55*
	UNION TERRITORIES	
27	Andaman & Nicobar Islands	4
28	Chandigarh	44

29	Dadra & Nagar Haveli	43
30	Daman & Diu	72
31	Delhi	29
32	Lakshadweep	9
33	Pondicherry	6*
	TOTAL	1254**

* Also includes scheduled employments for which minimum wages have not been fixed yet.

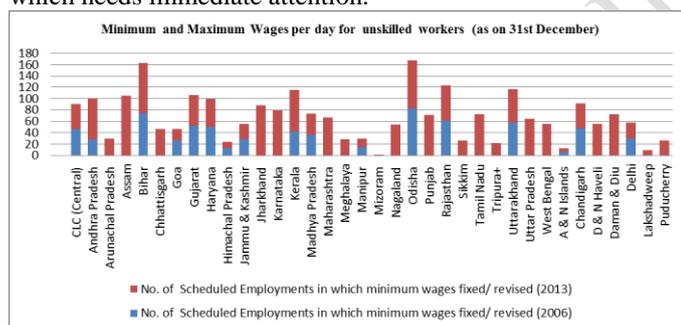
**Includes 44 scheduled employments under State Sphere for which minimum wages have not been fixed yet.

‘Scheduled Employment’- means any employment specified in the Schedule, or any process of working forming part of such employment.

Source: Report of National Commission on Labour

Table 1: No. of Scheduled Employments in Different States

The figure 1 below shows, Minimum wages fixed/ revised in different states in India (2006 and 2013) per day for unskilled workers (as on 31st December) where, Minimum wages was not fixed/ revised in 2006 as that of 2013 with respect to Arunachal Pradesh, Assam, Jharkhand, Karnataka, Maharashtra, Meghalaya, Nagaland, Punjab, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, D & N Haveli, Daman & Diu, Lakshadweep and Puducherry as compared to CLC (Central), Andhra Pradesh, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Kerala, Madhya Pradesh, Manipur, Odisha, Rajasthan, Uttarakhand, A & N Islands, Chandigarh and Delhi observed number of scheduled employments in which minimum wages was fixed/ revised during 2006 and 2013. In case, of Mizoram state it is not even 1% where the number of scheduled employments in which minimum wages fixed/ revised during 2006 and 2013 which needs immediate attention.



Source: Pocketbook of Labour Statistics 2009 and 2014

Figure 1: Minimum wages fixed/ revised in different states in India (2006 and 2013)

B. TO SUGGEST MEASURES FOR THE BETTERMENT OF FIXATION OF MINIMUM WAGES IN INDIA

In India, collective bargaining is one of the methods for wage fixation and has been adopted in many industries. Most of the agreements are at the plant level, though some significant industry level agreements have also been concluded. Apart from dealing with issues relating to wage matters, collective agreements cover a wide range of aspects of employment from recruitment to retirement. The government should also adopt statutory wage board is a body set up by law or with legal authority to establish minimum wages and other standards of employment which are then

legally enforceable in particular trade or industry to which board’s decision relate. Tripartite wage board is a voluntary negotiating body set up by discussions between organized employers, workers and government to regulate wages, working hours and related conditions of employment. There are several industries in various states where, the number may be less than one thousand. A large number of small and unregulated factories, therefore, have been excluded while the need for fixing a minimum wage is most urgent need. What is needed is a permanent board or a committee in each industry for fixing and revising the wage rates.

Before fixing the minimum wage the appropriate government should keep in mind the capacity of the industry to pay as well as the needs of the workers. The Commission recommends that every employer must pay each worker his one-month’s pay as bonus before an appropriate festival, be it Diwali or Onam or Puja or Ramzan or Christmas. Any demand for bonus in excess of this upto a maximum of 20% of the wages will be subject to negotiations. The Commission also recommends that the present system of two wage ceilings for reckoning entitlement should be suitably enhanced to Rs.7,500 and Rs.3,500 for entitlements and calculation respectively.

There should be a national minimum wage that the Central Government may notify. It should, in addition have a component of dearness allowance to be declared six monthly lined to consumer price index and the minimum wage may be revised once in 5 years. This will be a wage below which no one who is employed anywhere, in whatever occupation, can be paid. Each State/Union Territory should have the authority to fix minimum rate of wages, which shall not be, in any event, less than the national minimum wage.

VI. CONCLUSION

The granting of minimum wage to the workers is one of the essential requirements and need of the hour. The Government should also fix minimum rate of wages in some states as it has not been fixed yet. The machinery for fixation of minimum wages in India has not been uniform. Fixation of different rates in different regions for different categories of workers often makes the structure of minimum wage very complex.

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