



Minimum Wage Report

INDIA

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Minimum Wage In India

Legislative protection for workers to receive a minimum wage, can be considered as the hall mark of any progressive nation. It is one of the fundamental premises of decent work. In India, the Minimum Wages Act, 1948 provides for fixation and enforcement of minimum wages in respect of scheduled employments.

The Act aims to prevent sweating or exploitation of labour¹(According to the NSSO (2004-05) 61st round, around 395 million workers (86%) out of the total workforce of around 457 million workers constitute the unorganized/informal sector. In fact 7% of those employed in organized sector has been identified as informal workers raising the toll of informal sector to 422 million (92%).)through payment of low wages by ensuring a minimum subsistence wage for workers. The Act also requires the appropriate government (both at Centre and States) to fix minimum rates of wages in respect of employments specified in the schedule and also review and revise the same at intervals not exceeding five years.

Currently, the number of scheduled employments in the Central sphere is 45 whereas in the States sphere the number is 1596 (when all states are counted). With effect from November 2009, the National Floor Level of Minimum Wage has been increased to Rs 100 per day from Rs 80 per day (which was in effect since 2007).

Since the respective state governments have been empowered to independently fix minimum wages, disparities between wages in neighbouring states are common. In order to reduce this problem and bring comparability the Central government has set up 5 regional committees (table below)² for harmonization of minimum wages.

Minimum Wage Rates

Area-wise Minimum Rates of Wages in the Central Sphere w.e.f April 1, 2011

Sr. No.	Name of Scheduled Employment	Category of Workers	Rate of wages including VDA per day		
			Area A	Area B	Area C
1	Agriculture	Unskilled	169	153	151
		Semi skilled/Unskilled	185	171	156
		Skilled / Clerical	201	185	170
		Highly Skilled	224	206	185
2	Worker engaged in Stone Mines for Stone Breaking and Stone Crushing	1. Excavation & removal of over burden with 50 m			
		(a) Soft Soil		165.4	
		(b) Soft Soil with Rock		250.65	
		(c) Rock		331.82	
		2. Removal and Staking of		131.93	
		Stone Breaking or Stone Crushing for the stone size			
		(a) 1.0 inch to 1.5 inches		1030.01	
		(b) Above 1.5 inches to 3.0		880	
		(c) Above 3.0 inches to 5.0		514.47	
		(d) Above 5.0 inches	422.23		
3	Sweeping and Cleaning	Unskilled	247	205	165
4	Watch and Ward	Without Arms	247	205	165
		With Arms	273	232	192
5	Loading and Unloading	Unskilled	247	205	165
		Unskilled	247	205	165
6	Construction	Semi skilled/Unskilled	273	232	192
		Skilled / Clerical	301	273	232
		Highly Skilled	327	301	273
7	Non-Coal Mines		Above Ground	Below Ground	
		Unskilled	165	205	
		Semi skilled / Unskilled	205	247	
		Skilled / Clerical	247	287	
		Highly Skilled	287	327	

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Delhi

Minimum Wages w.e.f. February 1, 2011 **Minimum Wages in Delhi Hiked By 15 Percent.**

The decision was taken at a cabinet meeting headed by Chief Minister Sheila Dikshit. The revised rates will be effective from February 1, 2011. Revised Wages were announced by the Labour Minister Ramakant Goswami

Category of Workers	Minimum Wages per Day (in Rs.)	Minimum Wages per Month (in Rs.)
Unskilled	234	6084
Semi Skilled	259	6734
Skilled	285	7410
Non Matriculate	259	6734
Matriculate	285	7410
Graduate	310	8060

* Detailed list of Scheduled employment and minimum wages shall be provided soon.

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Himachal Pradesh

Minimum Wages w.e.f October 1, 2010

Sr. No.	Scheduled Employment	Category of Workers	Total Minimum Wages per Day (in Rs.)
1	Agriculture	Highly Skilled	
		Skilled	
		Semi-Skilled	
		Un-Skilled	120
		Clerical and Non Technical Supervisory Staff	
2	Chemical and Chemical Products	Highly Skilled	144
		Skilled	134.15
		Semi-Skilled	126
		Un-Skilled	120
		Clerical and Non Technical Supervisory Staff	
3	Construction or Maintenance of Roads or Building. Operations, Stone Breaking & Stone Crushing	Highly Skilled	193.8
		Skilled	151.2
		Semi-Skilled	132
		Un-Skilled	120
		Clerical and Non Technical Supervisor Staff	151.2
4	Establishments with manufacturing Process as defined in clause (K) of section-2 of Factories Act, 1948	Highly Skilled	144
		Skilled	135.25
		Semi-Skilled	126.55
		Un-Skilled	120
		Clerical and Non Technical Supervisor Staff	
5	Engineering Industries	Highly Skilled	151.2
		Skilled	151.2
		Semi-Skilled	123.25
		Un-Skilled	120
		Clerical and Non Technical Supervisor Staff	134.15
6	Forestry Industries	Highly Skilled	193.8
		Skilled	
		Semi-Skilled	
		Un-Skilled	120
		Clerical and Non Technical Supervisor Staff	

Himachal Pradesh

Minimum Wages w.e.f October 1, 2010

Sr. No.	Scheduled Employment	Category of Workers	Total Minimum Wages per Day (in Rs.)
7	Hotel and Restaurant	Highly Skilled	160.35
		Skilled	151.2
		Semi-Skilled	131
		Un-Skilled	120
		Clerical and Non Technical Supervisor Staff	
8	Private Educational Institute	Highly Skilled	
		Skilled	135.25
		Semi-Skilled	126.55
		Un-Skilled	120
		Clerical and Non Technical Supervisory Staff	
9	Public Motor Transport	Highly Skilled	169.80
		Skilled	146.2
		Semi-Skilled	127.2
		Un-Skilled	120
		Clerical and Non Technical Supervisory Staff	145.8
10	Shops & Commercial Establishments	Highly Skilled	160.35
		Skilled	151.2
		Semi-Skilled	131
		Un-Skilled	120
		Clerical and Non Technical Supervisor Staff	
11	Tea Plantation	Highly Skilled	
		Skilled	
		Semi-Skilled	
		Un-Skilled	120
		Clerical and Non Technical Supervisor Staff	

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Lakshadweep

Minimum Wages w.e.f November 1, 2010

Sr. No.	Scheduled Employment	Category of Worker	Minimum Wages	V.D.A.	Total Minimum Wages Per Day (in Rs.)
1	Construction or maintenance of Roads and Building Operations	Unskilled	115.00	6.00	121.00
		Semiskilled / Unskilled Supervisory	125.00	6.00	131.00
		Skilled / Clerical	135.00	6.00	141.00
		Highly skilled	140.00	6.00	146.00
2	Harbours Works	Unskilled	115.00	6.00	121.00
		Semiskilled/Unskilled Supervisory	125.00	6.00	131.00
		Skilled/Clerical	135.00	6.00	141.00
		Highly Skilled	140.00	6.00	146.00
3	Department of Fisheries				
	(a) Boat Building Yard (b) Canning Factory	Unskilled	115.00	6.00	121.00
		Semiskilled/Unskilled Supervisory	135.00	6.00	141.00
		Highly Skilled	140.00	6.00	146.00
4	Non-Scheduled Employment			6.00	6.00
	All Departments/Orga	Unskilled	115.00	6.00	121.00
		Semiskilled/Unskilled Supervisory	125.00	6.00	131.00
		Skilled/Clerical	135.00	6.00	141.00
		Highly Skilled	140.00	6.00	146.00

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Mizoram

Minimum Wages w.e.f April 1, 2009

Sr. No.	Schedule Employment	Category of Workers	Total Minimum Wages per Dat (In Rs.)
1	Agriculture	Skilled Grade II	235.00
		Skilled Grade I	184.00
		Semi skilled/Unskilled Supervisory	148.00
		Unskilled	132.00
2	Construction of Roads & Building	Skilled Grade II	235.00
		Skilled Grade I	184.00
		Semi skilled/Unskilled Supervisory	148.00
		Unskilled	132.00
3	Transport	Skilled Grade II	235.00
		Skilled Grade I	184.00
		Semi skilled/Unskilled Supervisory	148.00
		Unskilled	132.00
4	Industries	Skilled Grade II	235.00
		Skilled Grade I	184.00
		Semi skilled/Unskilled Supervisory	148.00
		Unskilled	132.00

Note 1 : The existing rate of minimum rates of wages is for the workers employed in different schedule employments in the Government Departments, Semi-Government, Private Undertakings and on contract basis.

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Minimum Wage Legislation

Frequently Asked Question

1.	Is there a separate minimum wage legislation in India ?
	Yes, there is a separate minimum wage legislation in India. Minimum Wages Act, 1948 is an Act to provide for fixing minimum rates of wages in certain employments and it extends to the whole of India.
2.	Do one or more minimum wage/s, exists in India ?
	There exists more than one minimum wages in India. As per Section 2 of the Act and Section 27, 28 it is mentioned that State as well as Centre has the power to form Minimum Wage rates
3.	At what level are minimum wages determined ?
	In India, minimum wages are declared at national, regional, sectoral and occupational or skill level. As per Section 3 of the Act minimum rates of wages may be fixed at national & state level. Also, Section 3 (3) of the Act specifies that minimum rates of wages may be fixed for different skills and occupations
4.	On what basis is/are minimum wage/s declared ?
	Minimum wages in India is declared on daily, hourly, and monthly basis. As per section 3 (b) of the Act defines that Minimum Wages are as per the piece rate, hour rate, and monthly rate as well
5.	In case of daily/weekly/monthly minimum wage, are number of working hours considered while fixing minimum wages ?
	As per Section 3 (14) (b) of the Act there has not been any specific time period. But may be in accordance to the period fixed under section 4 of the Payment of Wages Act, 1936 (4 of 1936)

Minimum Wage Legislation

Frequently Asked Question

6.	Who all are involved in setting minimum wages ?
	As per Section 9 of the Act uprating are based on decision jointly made by the Government, employer and trade union representatives
7.	How are upratings (adjustments) of minimum wage/s decided upon ?
	As per Section 9 of the Act uprating are based on decision jointly made by the Government, employer and trade union representatives
8.	Which are the components of minimum wages in India ?
	Minimum wages in India has both fixed and variable component. Section 4 mentions that minimum wages may be inclusive of basic pay and with special allowance on which it is based.
9.	How frequently is the fixed component of minimum wages updated ?
	Fixed component of minimum wages are updated in more than 2 years. Section 3 of the Act mentions that the period for revision of fixed component of minimum wages can be anywhere within 5 years of its fixation.
10.	What are the yardsticks on which minimum wage revisions are based ?
	<p>Section 4 of the Act mentions that Minimum wages are based on basic wages and cost of living index. The yardsticks on which minimum wage is revised are:</p> <p>(a) Three consumption units per earner, (b) Minimum food requirement of 2700 calories per average Indian adult, (c) Cloth requirement of 72 yards per annum per family, (d) Rent corresponding to the minimum area provided under the Government's Industrial Housing Scheme (e) Fuel, lighting and other miscellaneous items of expenditure to constitute 20 % of the total Minimum Wages (f) Children education, medical requirement, minimum recreation including festivals/ceremonies and provision for old age, marriage etc. should further constitute 25% of the total Minimum Wage.</p>

Minimum Wage Legislation

Frequently Asked Question

11.	What is the national poverty line? (In national currency)
	The national poverty line is Rs. 356.30 in rural areas and Rs. 538.60 in urban areas, per capita per month as updated by all-India poverty lines 2004-05
12.	How often is poverty line updated ?
	This scheme is included under Five Year plan as per the Planning Commission of India. Hence, poverty line is updated in every 5 years.
13.	When was poverty line last updated ?
	Poverty line was last updated in the year 2004-2005
14.	What is the percentage of minimum wage relative to the current poverty line ?
	The percentage of minimum wage relative to the current poverty line is 581.65% ($100 \times 26 / 447 \times 100$). National Floor level of minimum wage (Rs 100 per person per day) has been used to calculate this figure. In order to derive monthly minimum wage, Minimum Wage rate is multiplied by 26 (number of work days in a month). National poverty line is calculated by taking an average of the rural and urban poverty line (Rs 447 per person per month).
15.	How is minimum wages compliance regulated ?
	As per section 19 of Minimum Wages Act, 1948 the appropriate government may by notification in the Official Gazette appoint such persons as it thinks fit to be Inspector for the purposes of this Act and define the local limits within which they shall exercise their functions.

Minimum Wage Legislation

Frequently Asked Question

16.	Which legal sanctions can be applied if compliance is lacking ?
	In case of non compliance, fines, imprisonment and payment of arrears can be applied as per law. Section 22 of the Act mentions that if any one contravenes the rules formed under the Act he may be punished to pay fine, imprisonment which may extend to period of six months or payment of arrears by the employer to the employee.
17.	Are employer and/or trade union representatives involved in compliance procedures ?
	Information pertaining to this is not specified in the Minimum Wage Act.
18.	To whom/where can individuals complain, if they think they are earning less than minimum wages ?
	In case individuals earn less than specified minimum wages, they can complain to Labour Inspectorate coordinates or Trade Union Coordinates. As per section 19 of Minimum Wages Act, 1948, government may appoint such person as it thinks fit to be Inspectors for the purposes of this Act. As per section 20 (2) of Minimum Wages Act, 1948 it mentions that employee can make complain in writing by himself or through any legal practitioner or any official of a registered trade union authorised to act on his behalf or any Inspector or any person acting with the permission of the authority.

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