

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:6028
ANSWERED ON:03.05.2010
REVISION OF MINIMUM WAGES
Meghwal Shri Arjun Ram ;Vardhan Shri Harsh

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) the mechanism in place to revise the minimum wages for the skilled, semi-skilled and unskilled labourers/workers in the country both for the organised and the unorganised sector in urban and rural areas;
- (b) whether the Government has conducted any survey/study to assess the need for further revision of the minimum wages in this regard; and
- (c) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI HARISH RAWAT)

(a) to (c): Under the provisions of the Minimum Wages Act, 1948, both Central and State Governments are appropriate Governments to fix, review and revise the minimum rates of wages for different categories of workers employed in the scheduled employments under their respective jurisdiction, which are applicable to both organized as well as unorganized workers in urban and rural areas.

The minimum rates of wages are fixed/revised by appropriate Governments by taking into account of the norms recommended by the Indian Labour Conference, in 1957 such as:

- (i) 3 consumption units for one earner,
- (ii) Minimum food requirements of 2700 calories per average Indian adult,
- (iii) Clothing requirements of 72 yards per annum per family,
- (iv) Rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme and
- (v) Fuel, lighting and other miscellaneous items of expenditure to constitute 20% of the total minimum wage.

In the year 1992, the Supreme Court delivered a judgment in the case of Reptakos & Co. Vs. its workers pronouncing that the children's education, medical requirement, minimum recreation including festivals/ceremonies, provision for old age, marriage etc. should further constitute 25% of the minimum wage and used as a guide in fixation of minimum wage. The appropriate Governments also keep the judicial pronouncement in view while fixing/revising the minimum wages.

Further, in order to protect the minimum wages against inflation, the Central Government and most of the State Governments/Union Territory Administrations have adopted the system of Variable Dearness Allowance (VDA), revised twice a year effective from 1st April and 1st October on the basis of increase in Consumer Price Index Number for Industrial Workers.