

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

UNSTARRED QUESTION NO:5499

ANSWERED ON:13.12.2010

NATIONAL MINIMUM WAGE FOR AGRICULTURAL WORKERS

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

- (a) whether the Government has proposed to enact a formula of National Minimum Wage for agricultural workers in the country;
- (b) if so, the details thereof; and
- (c) the steps taken to step up the public investment and flow of rural credit for small and marginal farmers in the country?

Answer

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

(a) & (b): In order to have a uniform wage structure and to reduce the disparity in minimum wages across the country, a concept of National Floor Level Minimum Wage (NFLMW) was mooted, which has been revised at Rs.100/- per day with effect from 01.11.2009. The National Floor Level Minimum Wage is a non-statutory measure. So, the State Governments are persuaded to fix/revise minimum wages so as to ensure that the minimum wage is not less than National Floor Level Minimum Wage, in respect of all scheduled employments including agriculture.

(c): The Government of India and RBI have taken several measures in order to ensure the proper availability of credit to farmers (including small and marginal farmers) through banks. These include:

(i) the Government of India, since 2006-07 is providing an Interest Subvention to all Public Sector Banks, Regional Rural Banks and Cooperative Banks for short term crop loans upto Rs 3 lakh, so as to ensure that short term agriculture credit is available at 7% to farmers.

In 2010-11, an additional 2% interest subvention is being provided to those farmers, who repay their short term crop loans timely. Thus the short term crop credit will be available to prompt payee farmers @ 5% p.a. for loans upto Rs 3 lakh.

(ii) the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 de-clogged the lines of credit that were clogged due to the debt burden on the farmers.

(iii) banks have been advised to dispense with the requirement of "no dues" certificates for small loans up to Rs 50,000 to small and marginal farmers, share-croppers and the like and instead obtain a self-declaration from the borrower.

(iv) banks (including RRBs), being advised that wherever there are difficulties in getting certification from the local administration/panchayati raj institutions regarding the cultivation of crops, etc., they may accept an affidavit submitted by landless labourers, share croppers and oral lessees giving the occupational status (i.e., details of land tiled/crop grown) for loans up to Rs 50,000.

(v) RBI has advised banks to waive margin/security requirements for agricultural loans upto Rs 1,00,000.