

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

UNSTARRED QUESTION NO:2823
ANSWERED ON:14.03.2011
DIFFERENCE IN MINIMUM WAGES
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether there is a great difference between the minimum and maximum monthly salaries of workers in the unorganised and organised public and private sectors in the country; and

(b) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

(a) & (b): As per the report of the National Sample Survey Organisation (NSSO), 64th Round during July, 2007 to June, 2008, the wage rate in the country varies from Rs. 60.65 per day for casual labour to Rs. 226.64 per day for regular/salaried persons. The disparity of wages in various sectors is due to differences in socio-economic and agro-climatic conditions, prices of essential commodities, paying capacity of employers in their respective sectors, productivity, bargaining power of workers and other local conditions influencing the wage rate.

The salaries/emoluments in the public and private sectors are regulated by the pay structure decided by the respective industry/establishment. However, to safeguard the interest of workers engaged in unorganised sector who are vulnerable to exploitation due to illiteracy and lack of bargaining power, the Minimum Wages Act, 1948 was enacted. Under the provisions of the Act, both Central and State Governments are appropriate Governments to fix, review, revise and enforce the minimum rates of wages for different categories of workers employed in the scheduled employments under their respective jurisdiction.

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. The NFLMW per day has been revised from time to time primarily taking into account the increase in the Consumer Price Index Number for Industrial Workers, which stands at Rs.100/- per day with effect from 01.11.2009. Since the NFLMW is a non-statutory measure, the State Governments are persuaded to fix/revise minimum wages in such a way that in none of the scheduled employments, the minimum wage is less than NFLMW.