

Minimum Wage System in India

July 18, 2019

Redesigning a Minimum Wage System in India for Inclusive Growth

Source: PIB, Economic Survey 2018-19

- Survey **proposes a well-designed minimum wage system** as a potent tool for protecting workers and alleviating poverty.
- Present minimum wage system in India has 1,915 minimum wages for various scheduled job categories across states.
- **1 in every 3 wage workers in India not protected by the minimum wage law.**
- Survey supports **rationalization of minimum wages** as proposed under the Code on Wages Bill.
- **Minimum wages to all employments/workers** proposed by the Survey.
- **'National Floor Minimum Wage'** should be notified by the Central Government, varying across **five geographical regions**.
- Minimum wages by states should be fixed at levels not lower than the **'floor wage'**.
- Minimum wages can be notified **based either on the skills or on geographical region or on both grounds**.
- Survey proposes a simple and enforceable Minimum Wage System **using technology**.
- **'National level dashboard'** under the Ministry of Labour & Employment for regular notifications on minimum wages, proposed by the Survey.
- Toll-free number to register grievance on non-payment of the statutory minimum wages.
- **Effective minimum wage policy** as an inclusive mechanism for more resilient and sustainable economic development

