

International market data till 1900 GMT

Expert committee recommends ₹9,750 monthly national minimum wage

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A UNIFORM national minimum wage of Rs 9,750 per month or region-wise minimum wages ranging from Rs 8,892-Rs 11,622 per month for five regions (as of July 2018) have been recommended by an expert committee on determining the methodology for fixing the national minimum wage. The recommendations could form the basis for a national minimum wage in the country covering all workers — irrespective of their skills, sectors, occupations and rural-urban locations.

The report of the 7-member expert panel, which was submitted in January and made public for consultations on Thursday, has also recommended an additional house rent allowance, averaging up to Rs 55 per day, that is, Rs 1,430 per month for urban workers over and above the national minimum wage saying house rent accounts for a significant proportion of the overall non-food component. This city compensatory rent allowance, however, may be allowed to vary in accordance with the type of city and town, the panel has suggested along with recommending a separate study to be undertaken to determine city compensatory rent allowance by type of city and town.

The committee is of the view that the single value of the national minimum wage for India should be set at Rs 375 per day or Rs 9,750 per month. Alternatively, it has also recommended setting the national minimum wage for five different regions with diverse socio-economic and labour market situations for Region I at Rs 342 (Rs 8,892 per month), Region II at Rs 380 (Rs 9,880 per month), Region III at Rs 414 (Rs 10,764 per month), Region IV at Rs 447 (Rs 11,622 per month) and Region V at Rs 386 (Rs 10,036 per month).

Region I includes Assam, Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh and West Bengal; Region II includes Andhra Pradesh, Chhattisgarh, Rajasthan, Jammu & Kashmir and Uttarakhand; Region III includes Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu; Region IV includes Delhi, Goa, Haryana, Himachal Pradesh and Punjab and Region V includes Arunachal Pradesh, Manipur, Meghalaya, Nagaland, Sikkim, Mizoram and Tripura.

The government had intro-

Panel suggests five regional minimum wages between ₹8,892-₹11,622/month

duced a Code on Wages Bill in Parliament in August 2017, which will amalgamate the four central labour laws relating to wages: The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965 and The Equal Remuneration Act, 1976. The first among the four labour codes proposed by the government, the Bill recommends the introduction of a binding 'National Minimum Wage', implying fixing a single national minimum wage — or different national minimum wages for different states or geographical areas and once the quantum is announced, "no state [could] declare a wage lower than the National Minimum Wage". The panel, headed by Dr Anoop Satpathy, Fellow, VV Giri National Labour Institute, was set up by the Ministry of Labour and Employment on January 17, 2018, to undertake an evidence-based analysis to determine methodology for fixing national minimum wage.

For estimating national minimum wage at the regional level, the panel has recommended using the nationally representative food basket for all regions instead of estimating and using regional representative food baskets for each of the five regions. "This will help dissociate the consumption pattern from the level of poverty and ability to pay in a region, while maintaining the palatability of the food basket," it said. The committee has also recommended adopting an approach that would focus on a balanced diet rather than merely its calorie intake that should not only concentrate on the minimum requirement of calories but also on the minimum requirement of protein and fats.

Given the changes in the population's level of activity, implying a reduction in the proportion of workers engaged in heavy work and an increase in the number of workers in moderate and sedentary occupations, it has also recommended setting the minimum wage at a level that would allow for a minimum recommended intake (per adult person per day) of 2,400 calories, 50 grams of protein and 30 grams of fats. The report has been put in public domain for consultations till February 28.