

## Minimum Wage Code Bill

### Why in news?

\n\n

The Union Cabinet has approved the new wage code bill.

\n\n

### What is the bill about?

\n\n

\n

- It will ensure a minimum wage across all sectors by integrating four labour related laws.

\n

- It will consolidate the Minimum Wages Act, 1948; the Payment of Wages Act, 1936; the Payment of Bonus Act, 1965; and the Equal Remuneration Act, 1976.

\n

- It signals a formal start of the process of consolidating 44 labour laws into four codes.

\n

- At present, every state decides the minimum wage for different industries and labour classifications.

\n

- The bill seeks to **empower the Centre to set a minimum wage across all sectors** in the country and states will have to maintain that.

\n

- States will not be able to pay less than the national floor; however, states will be able to provide for higher minimum wage in their jurisdiction than fixed by the central government.

\n

- At present, the minimum wages fixed by the Centre and states are applicable only to workers getting up to Rs 18,000 pay monthly.

\n

- The new minimum wage norms would be applicable for all workers irrespective of their pay.

\n

- The proposed legislation is expected to benefit over 4 crore employees

across the country.

\n

\n\n

### What are the concerns with the code?

\n\n

\n

- The point of labour law reform is to make regulation less intrusive and more effective. However, the wage code is doubtful of making this effect.

\n

- It seeks to expand the reach of minimum wage regulation to non-formal jobs. The **scope for intervention** in business by government inspectors has thus been vastly **increased**.

\n

- The code assumes a **single national floor for wages** for a country as diverse as India, with so many variations to costs of living.

\n

- This ignored local and sectoral conditions.

\n

- Such regulations have often resulted in the **decrease of the number of such jobs**.

\n

- The code looks less like labour law reform and more like another entitlement which could be counter-productive to the intended aims.

\n

\n\n

\n\n

**Source: Business Standard**

\n

