

# **Minimum Wage Policy**

#### What is the issue?

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• Currently, the 7th Pay Commission Recommendations are being implemented.

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• So the time is ripe for bettering the wages of those in the unorganised sector.

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#### What constitutes the unorganised sector?

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- About 500 million Indians languish in the "unorganised sector".
- A disconcertingly large portion of them remain vulnerable to the vagaries of unemployment, exploitation, insecurity and poverty.
- Social degradation, cultural exclusion and developmental neglect are also other aspects that accompany this.
- $\bullet$  Notably, this sector contributes 45% of the wealth of our country though is often perceived a national liability. \n

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## What is the Pay-Wage dichotomy?

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- Pay refers to the remunerations that are derived by those employed in the organised while wage refers to the unorganised.
- · While pay revisions are widely discussed, wages of the unorganised sector

doesn't get the same level of scrutiny.

- $\bullet$  Salaries have undergone big increases in India and corporate emoluments have are increasing rapidly too.  $\mbox{\sc h}$
- But wages (in real terms) remains where it was before the beginning of the 'New Economic Policy' of 1991.
- $\bullet$  Wages of the unskilled workers vary wildly from Rs 850 per day in Kerala to a third of it in most other parts of the country. \n

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### What can be a minimum accepted standard?

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- The connection between poverty and the systemic injustice done to those bracketed in the "un-organised" sector needs recognition.
- $\bullet$  We therefore need to evolve a rational minimum wage policy.  $\n$
- The peons/attendants are the lowest paid in the organised sector, who currently have a minimum take away of Rs 25,000 a month.
- While there are a lot of other benefits in the organised sector, that those in the unorganised lack.

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 $\bullet$  We should therefore at least ensure that the minimum wages in the unorganised sector are comparably close to the organised.  $\mbox{\sc h}$ 

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#### **Source: Business Standard**

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