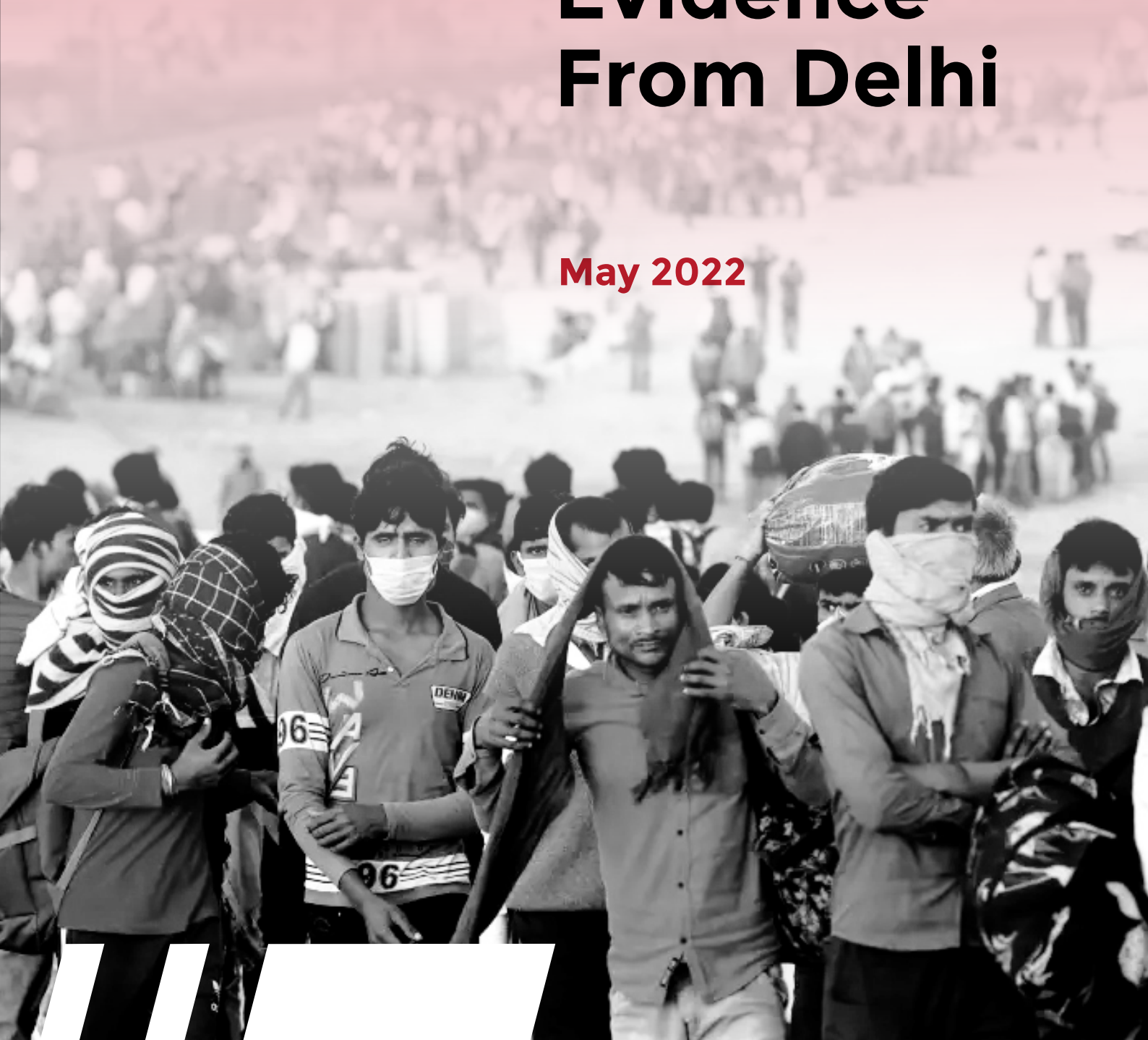




Accessing Minimum Wages: Evidence From Delhi

May 2022



ACKNOWLEDGEMENT

This report was produced by the Delhi State Chapter team of the Working People's Coalition (WPC). Special thanks go to the working group whose guidance and expertise helped to streamline the discussion of minimum wage discourse without whom this project would not have been possible.

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ABOUT

The **Working People's Coalition (WPC)** is a network of organizations working on issues related to informal labour in particular and labour in general. It is an independent entity not affiliated to any organization, federation or political party. WPC member organisations are in broad agreement with a basic charter called the Working Peoples Charter and are working with informal labour, including in organizing, support, research, training, skilling etc., irrespective of their affiliation or sector. WPC includes many sectors of informal labour, for eg. construction, domestic, brick kilns, care work, self-employed, farm labour, forest workers, health workers, gig workers, sweatshop labour, contract workers, migrant workers and many more. The network has a grassroots presence in thirteen states of India, although the consolidation of the presence is yet to be completed. These states include - Andhra Pradesh, Assam, Delhi, Jharkhand, Karnataka, Maharashtra, Pondicherry, Rajasthan, Uttar Pradesh, Tamil Nadu, Telangana, West Bengal, and some North-Eastern states. The network is still in its growth phase and is covering more states slowly. There are affiliate national bodies which are affiliated with and are part of the WPC network, eg India Labourline, Lawyers for Labour, Sanchaar and Labour Axis.

PREFACE

In 2015, Delhi Government took a step which no other state ever attempted to do. The government, heeding the demands of the worker organisations, implemented the historical supreme court ruling, the Raptakos Brett judgement (1991) that upheld the implementation of 'need-based minimum wages' as prescribed by the 15th Indian Labour Conference (ILC), 1957. However, the hopes were short-lived as the entire employer lobby went to the court and questioned this move. The Delhi government showed incredible courage in defending its position and stated that the decision was arrived at by consensus as employers were also a party to it. The entire workers' fraternity appreciated the position and in fact, many trade unions joined the legal struggle and strengthened the government's stance. The result of the legal battle came in favour of workers but the most difficult task lay ahead, i.e., the enforcement of this decision.

Even though the Delhi government received massive appreciation and support it faced a series of hurdles and found it extremely difficult to implement its own policy decision. In spite of making massive efforts for public awareness, it could not overcome the challenges of the powerful owners' lobby which did their best to prevent this policy measure from being implemented. Many of us who supported the Delhi government's initiative felt a bit let down at their docility in the face of the challenges by the owners' lobby. In the end, the government missed a golden opportunity and the workers lost.

The covid crisis came in between, and all the efforts came to halt. Indeed, it was a big blow to the entire working population. However, the union government directive that no employer will deduct or withhold the workers' wages provided some rays of hope. However, in response to a writ petition filed by the Karnataka-based company Ficus Pax Private Limited, the Supreme Court overturned the government's decision. Sadly, no initiatives by the government were witnessed after this unfortunate judgement by the highest court of the country. The toiling masses, mostly migrants who were facing the extreme heat of the covid lockdown crisis, felt betrayed and deceived. Post covid lockdowns, despite the entire hue and cry, nothing much was observed as far as workers' rights were concerned even though large sections acknowledged the role of informal workers in Delhi's economy.

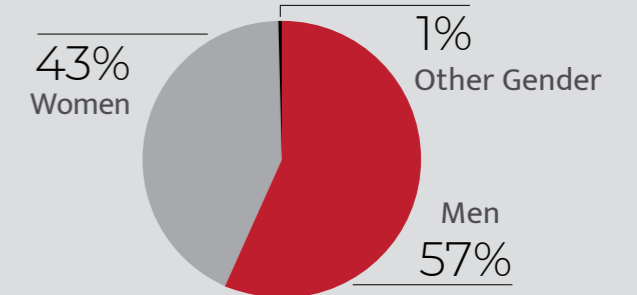
The ruling regime of Delhi - union and state both failed in securing basic workers' rights, viz. the access to minimum wages. It was imperative for WPC to bring to light the issue of the working population which became a national issue during covid but completely jettisoned once the economic activities started showing signs of life. This study attempts to highlight the violations of basic workers' rights despite the Delhi government's initial attempts to deal with it positively.

This evidence-based approach to documenting the ground-level social reality of accessing minimum wage focused on four clusters, viz. domestic, construction, industrial and security guards. It collected data and information on the awareness level and access to social security entitlements such as PF, gratuity, ESI, accident insurance etc. This study was conceptualised by the Delhi Chapter of the Working Peoples' Coalition (WPC) and was guided by the vast experiences of Delhi Shramik Sanghatan, Janpahal, Gram Vaani, Yuva and Basti Suraksha Manch.

The idea behind the study was to take a stock of the gap existing between claims and realities. It is hoped that the findings will guide our way forward in ensuring the basic provisions of workers' rights.

HIGHLIGHTS

**1076
Workers**



Of 1076 workers respondent, 57% (men) 43% (women) and 1% (other gender) showing more than 50% percent men workers are working in across all industries; however, women workers are largely concentrated in domestic work and construction sector.

Two third of sample youths as term as demographic dividends of India are deriving their wage livelihood from the unorganized sector.

More than 60% of workers are below the primary level of education that would constraint their labour market mobility as well as deprive them from accessing skill development opportunity.

Around 64% have migrated from their hometown in search of livelihood in Delhi. Of that 8% of workers who might have been part of circular migration due to seasonality of industries.

Approximately, 40% works in domestic work, 16% in industry, 33% in construction and 11% as security workers in Delhi.

Disproportionate educational qualification to secure good jobs and excessive supply of unskilled labour force compels them to

stay in low-wage-low-productive sectors with bare minimum earnings.

Only 5% of workers are receiving stipulated minimum wages and 95% are compel to accept the wages offered by their employers not by the regulatory bodies.

It is found that 95 percent of workers despite having required skilled sets are not being paid a statutory minimum wage as stipulated by Government of Delhi.

More than two third of workers are also not aware about these laws that strengthen their right to receive decent wages and 98 percent of workers do not receive pay slip.

The study finds that 98% of female workers and 95% of male workers receive wages below the stipulated minimum wages.

More than 90 percent of workers despite working tirelessly are deprived from their social security benefits.

More than two third of workers (more than 75%) work in indecent working environment without any sufficient facility and insecure work site premises, that could lead to unhealthy industrial relations and welfare losses for workers.

I. WORKERS WORLDVIEW ON LABOUR RIGHTS: AN INTRODUCTION



Wages are a fundamental part of maintaining or achieving the basic living standard of a worker and his/her family. They are also important indicators of economic progress and social justice. The recent pandemic highlighted the persistent issues related to wages, income security, employment, and social security entitlements (Kumar & Srivastava, 2021). Its effect on the standard of living of a majority of the population pushed them back into poverty. Whereas, the Oxfam India, “Inequality Kills” report brought out the income disparity where the wealth of India’s richest families is recorded as - the top ten people in India hold 57% of the wealth. On the other hand, the share of the bottom half is 13% (Oxfam, 2022).

A high growth rate in the Indian economy before the pandemic led to an increase in real wages but at a much slower rate than compared to the inflation rate of daily commodities, and it is associated with an increase in income inequality. In 2011–12, the average wage in India was about Rs 247 per day, and the average wage of casual workers was estimated at Rs 143 per day. Before the pandemic, there was a slight increase in the averages at Rs 293.5 per day in 2019-20 (ILO, 2018). Most importantly, the labour share, which is the proportion of national income that goes into labour compensation, has declined from 38.5% in 1981 to 35.4% in 2013. Therefore, it is critical for policymakers to better understand the nature of wage policies, strategies



for setting wages and implementation framework to ensure inclusive and sustainable growth and decent work for all.

Similarly, while debating the trends in both real wages and wage policy, especially on the question of setting a national floor-level minimum wage as well as the implementation of a large set of minimum wages in different states, one cannot dismantle social security and basic services from it. Providing minimum or basic wages will not be enough to eradicate poverty and inequality if it cannot provide basic services and security in terms of housing, health, water, food, and protection in times of emergencies. The COVID-19 pandemic has demonstrated that only doctors, medicines or vaccines and hospitals are not sufficient to survive. People also need clean water to wash their hands, decent housing to respect the lockdowns and money to buy food and masks. Privatisation of such basic services has made them unaffordable for many people (Francine, 2021). This pandemic has reintroduced the need for broad social protection. Therefore, calculating wages or income for any work or in any sector must incorporate the importance of decent livelihood which will pay off the cost of living in any location, i.e., urban, or rural and protect absence of work or in emergencies.

The issue of what constitutes the minimum wage – and the method of determining

and regularly adjusting this wage - has been a subject of intense debate for many decades that has dominated academic and policy circles and has also been played out to the maximum in various tribunals and courts. With the reference to the judgement on *Raptakos & Co vs its Workers' Union in 1991*, the Supreme Court laid down and advocated for the concept of a “living wage”. This concept was based on the 15th Indian Labour Conference (ILC) of 1957 which recognised the requirement of a need-based minimum wage for industrial workers. It lays down the norms for fixing up the minimum wages.

- Three consumption units for one earner.
- Minimum food requirements of 2700 calories per average Indian adult comprising sixty-five grams of protein and around 45-60 grams of fat. (Dr Wallace Aykroyd)
- Clothing requirements of seventy-two yards per annum per family.
- Rent corresponding to the minimum area provided for under the Government’s Industrial Housing Scheme will comprise 7.5% of the total minimum wage.
- Fuel, Lighting, and other miscellaneous items of expenditure constitute 20% of the total minimum wage.

The wage structure should be the same for men and women, and the base wage rate



may be adjusted upwards based on the cost-of-living considerations. Thus, setting the living wage parameter would raise earnings significantly at the bottom of the distribution. On this background, the report was envisaged to investigate the question of implementation of statutory minimum wages and wage disparity based on gender, location, and social groups (castes) as it is of utmost importance for balanced growth and social justice. Similarly, in the context of new labour codes, it highlights the importance of collective bargaining for attending to effective wage levels and the distribution of wages.

The main legislative instruments regulating wages: Minimum Wages Act, 1948; Payment of Wages Act, 1936; Payment of Bonus Act, 1965; and Equal Remuneration Act, 1976 have been consolidated to form the new Wage Code, 2019. This wage code has given statutory status to the national minimum wage floor. Along with this, the code has extended the coverage of minimum wage to cover all workers. However, there are a range of challenges and gaps in the code for its effective implementation of wage policy, including full consultation of social partners in the minimum wage fixing machinery, evidence-based adjustments that take into account the needs of workers and their families as well as economic factors, and measures to improve implementation.

This report provides an overview of the

income of unorganized workers from 4 sectors in Delhi - Domestic, Industrial, Construction, and Security. It examines wage gaps between different categories of workers, including gender wage gaps and gaps between labour market wage rates and the minimum wages set by Delhi state. Then it discusses the wage policies, legislations, and their implementation, focusing on minimum wages as well as collective bargaining. Based on this at the end, the report will provide some policy-oriented conclusions.

“Between December 2019 and December 2020, around 230 million people across India dived below the minimum wage threshold of Rs 375 per day, informs a recent report, ‘The State of Working India 2021 – One Year of Covid- 19’, by Bengaluru-based Azim Premji University.

The report also highlights that woman were worst hit by the job losses last year with 47 percent of the women workers suffering permanent job loss.”

II. CONTEXT

The goal of the Minimum Wage Act 1948 (henceforth MW Act) is to prevent the exploitation of workers from payment of unduly low wages specifically for informal casual labour. The Act does not define any criteria for fixing the level of the minimum wage. However, the recommendations in the sessions of the Indian Labour Conference, and guidelines given by the Supreme Court, offer guidance in fixing and revising the minimum wage.

Still, only Delhi and Kerala state governments have implemented the living wage jurisprudence in recent years. In 2017, Delhi Government revised minimum wages considering the factor of the 'cost of living of the worker among many other factors. Therefore, Delhi provides an interesting study because it the only state government who is constantly revising the dearness allowance every six months to provide respite to all workers from inflation. In terms of the economic development, the contribution of Delhi to the national Gross Domestic Product (GDP) has increased from 3.97% in 2014-15 to 4.20% in 2019-20. According to the Delhi Economic Survey 2021, Delhi's Gross State Domestic Product (GSDP) is 17.65% higher in 2021-22 than the previous year despite the pandemic.

Nonetheless, the noncompliance to the minimum wages is a key feature in the labour market with the noncompliance rates as high as 90% for some workers. Noncompliance is higher for casual workers, for females, for unskilled workers and for migrants. From the daily experiences of India Labourline operations (a mediation

and Legal Aid centre), it has been observed that the workers, especially informal workers and migrants, are receiving less than the minimum threshold needed for a decent life and to meet basic needs when it is clear that workers can achieve a decent standard of living if industries/employers pay them the statutory living wages.

Therefore, Working Peoples' Coalition (WPC) envisaged this study to investigate the efficiency of the implementation of statutory minimum wages as it is of utmost importance for balanced growth and social justice. As far as the state is concerned, its responsibility is to ensure the effective implementation of the amended act and revised living wages. Also, in the context of new labour codes, it is pertinent to focus on the importance of collective bargaining for attending to effective wage levels and the equal distribution of wages.

The study provides an overview of the income of informal workers from four sectors in the Delhi NCR region namely, Domestic, Industrial, Construction and Security. It examines wage gaps between various categories of workers, including gender wage gaps and gaps between labour market wage rates and the minimum wages set by Delhi state. It discusses the ground level social reality of accessing minimum wage focusing on complexity, disparity, and contradictions. Then it discusses policy instruments for effective implementation of the wage policies and legislations focusing on minimum wages as well as collective bargaining.

III. MAJOR FINDINGS

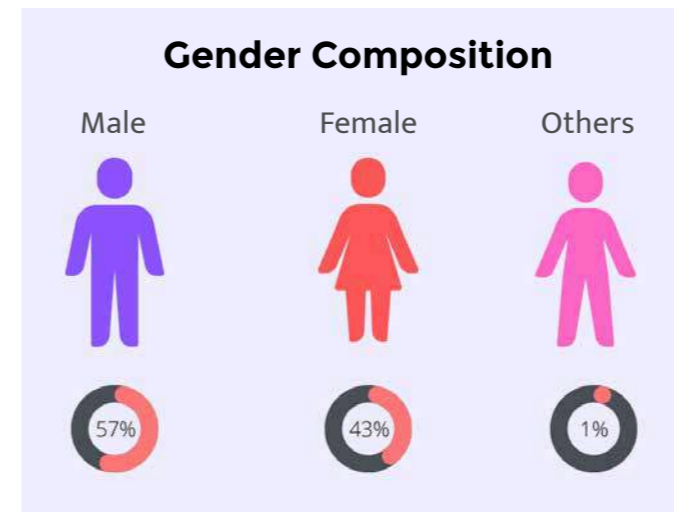


Figure 1: Gender Composition

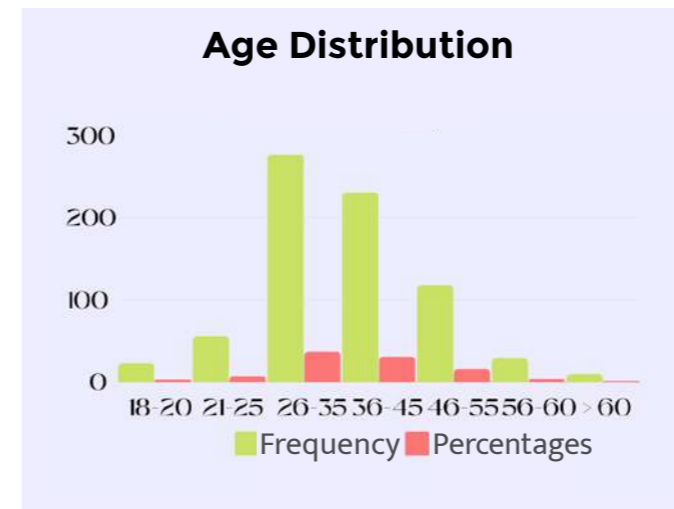


Figure 2: Age Distribution

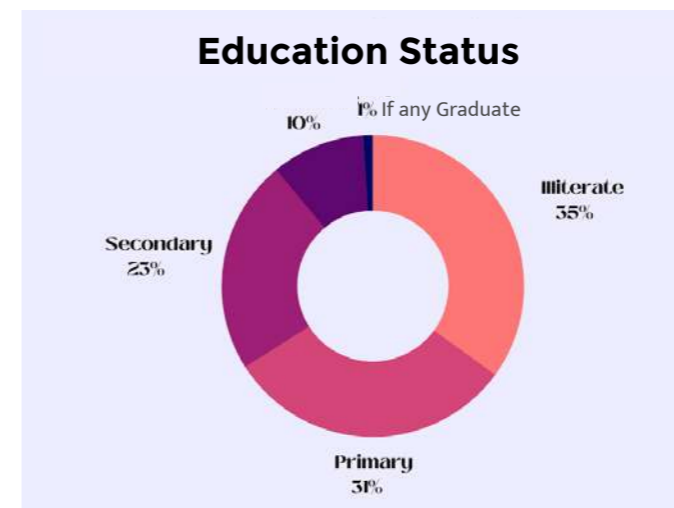


Figure 3: Education Qualification

In the months of January and February 2022, the study was conducted in Delhi region covering four sub-sectors (i.e., industrial, domestic work, construction and security work) of unorganized economy that employs women, unskilled, contractual and migrant workers. The study collected responses from 1076 individuals, 57% men, 43% women and 1% other gender (Figure 1). It shows that more than 50% percent men workers are working in across all industries; however, women workers are largely concentrated in domestic work and construction sector.

In Figure 2, the study finds that the average age group of respondents was 26-45 years of age, with the youngest being sixteen and the oldest being seventy-two. Nearly 13% of individuals in the sample were below 25 years, while 25% were above 45. This indicate that the majority of youths as term as demographic dividends of India are deriving their wage livelihood from the unorganized sector.

In figure 3, the study report that 35% of the respondents were illiterate and 31% had completed primary education. Only 25% have completed secondary education with 10% graduates. A ridiculously small percentage of the respondents had gone through informal skill training. It further shows that more than 60% of workers are below the primary level of education that would constraint their labour market mobility as well as deprive them from accessing skill development opportunity, since many skill development programs require minimum secondary education qualification.

In Figure 4, the study report 87 % of workers are married, 5 % widow's and 8% unmarried. A marital status also indicates that number of dependent members in the family. In this study, a significantly higher number of married workers adds to increased cost of living that takes away major earning in daily household management. As a result, workers will have no savings or endowments.

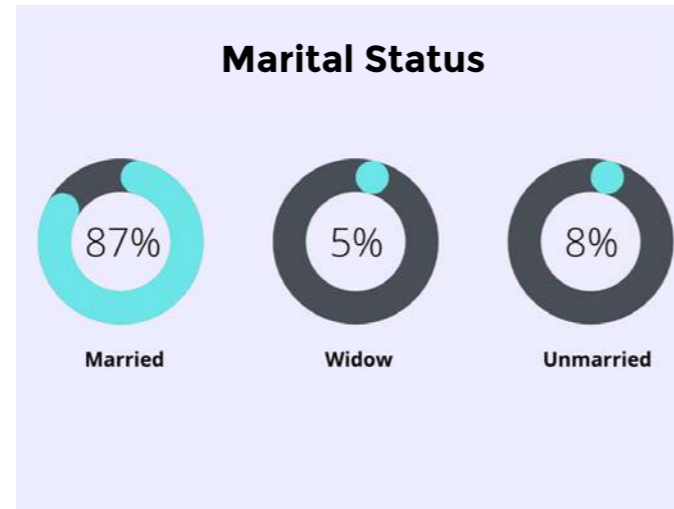


Figure 4: Age Distribution

In Figure 5, the study finds that 50% of the respondents were from Uttar Pradesh and Bihar and 20% were from Madhya Pradesh and Rajasthan. In which 64% have migrated from their hometown in search of livelihood in Delhi. Followed by 8 % of workers who might have been part of circular migration due to seasonality of industries; hence they do not identify them as migrant workers. Among female workers marriage is a key reason for migration. Moreover, around 6% are migrated for pursuing education in Delhi.

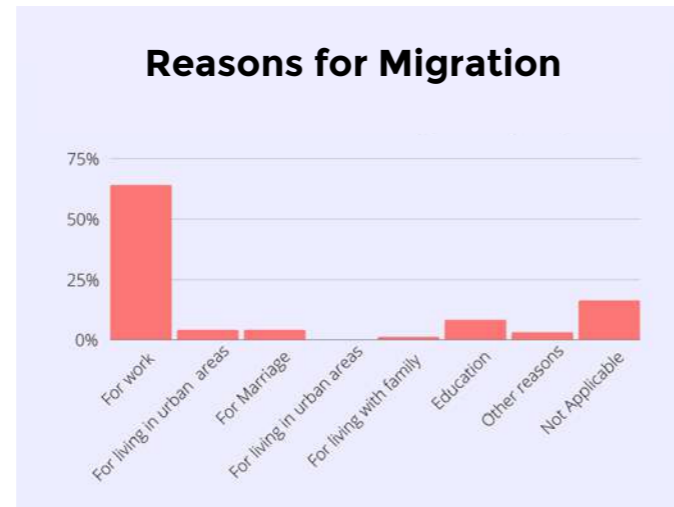


Figure 5: Reasons for Migration

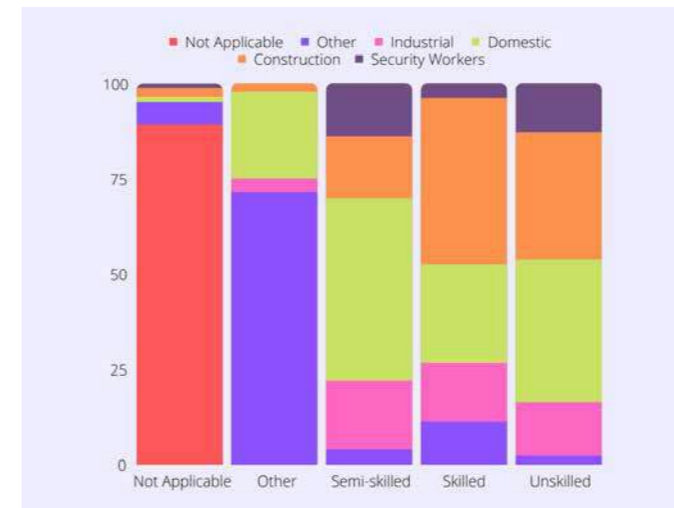


Figure 6: Employment Situation

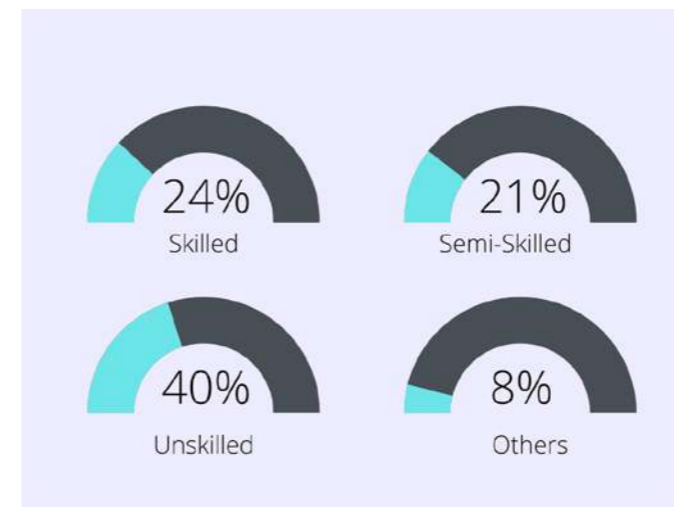


Figure 7: Degree of skills

In Figure 6, the study report that among all surveyed respondents 40 % works in domestic work, 16% in industry, 33% in construction and 11% as security workers in Delhi. Across skill sets, 15 % skilled workers work in industrial sector; 26% in domestic work, 44% in construction and only 4% in security work. Among semi-skilled workers, 18 % work in industrial sector, 48 % in domestic work, 16 % and 14% in construction and security work respectively. Finally, within un-skilled category, 37 % works in domestic work, 33% in construction and 13% as security workers. This indicate that the demand for workers with skilled and un-skilled workers are higher in construction sector; whereas, the demand for semi-skilled workers is large for industrial and domestic work segments. For the security workers, the demand for semi-skilled and un-skilled workers are high.

In figure 7, the study report that 35% of the respondents were illiterate and 31% had completed primary education. Only 25% have completed secondary education with 10% graduates. Within that 24% are skilled workers, 21% semi-skilled, 40% unskilled and 8% others. It shows us that disproportionate educational qualification to secure good jobs and excessive supply of unskilled labour force compels them to stay in low-wage-low-productive sectors with bare minimum earnings.

In Figure 8, the study report amongst the respondents, 72% had monthly wages. Around 28% receive daily wages and none hourly wages. More than one fourth of workers dependency on daily wages indicate the wage-dependency precarity among workers that make them more vulnerable to pick up any jobs on daily basis for survival.

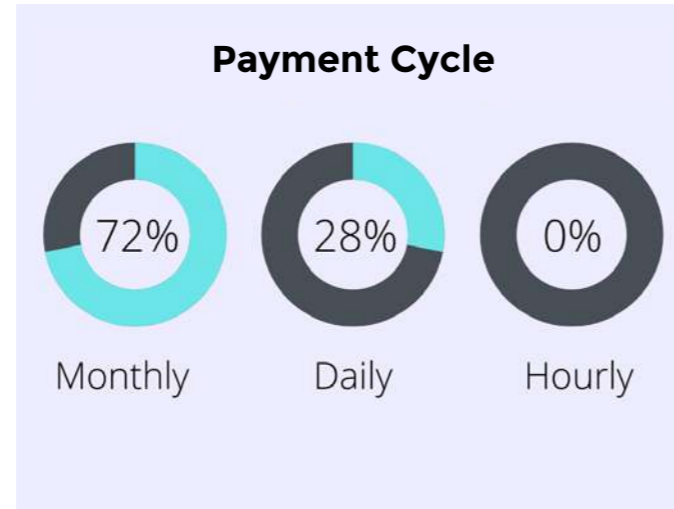


Figure 8: Payment Cycle

In Figure 9, the study report that Only 28% of workers are in the permanent category and remaining are either working as contractual or daily wage workers i.e., 19% and 30% respectively. Across types of employment, the share of daily wage workers is higher, followed by permanent workers and contractual workers. Still, 13% of workers are unable identify their type of employment. This could be a hybrid type of employment category that in some period make them regular workers and, in some period, make them contractual workers. As compared to regular workers, overconcentration of daily wage workers in the four studied sectors indicate that workers in these sectors are facing acute tenure security that make them vulnerable to accept any jobs that give them wages which is below the market clearing wages. Approximately 46% of workers earns monthly wages between Rs. 5000-9000/-. Around 15% workers earn between Rs. 3000-5000/- and 13% workers earn monthly wage between Rs. 9000-12000/-. Less than 5% of workers earn monthly income more than Rs. 16000/-. According to GO F.12(142)/02/MW/VII/Part file/2618-2641 dated 23/05/22, the revised minimum wage has been pegged at Rs. 16,506 for un-skilled workers, Rs. 18,187/- for semi-skilled workers and Rs. 20,019/- for skilled workers per month. However, in this study it is found that 95 percent of workers despite having required skilled sets are not being paid a statutory minimum wage as stipulated by Government of Delhi.

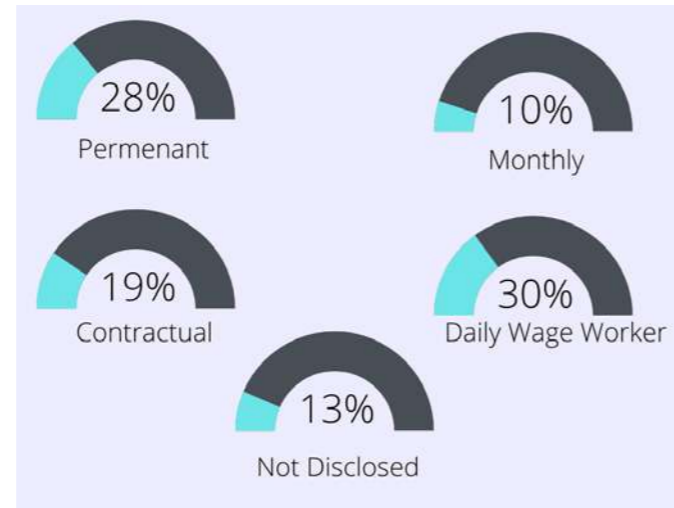


Figure 9: Types of Employment and Wage distribution

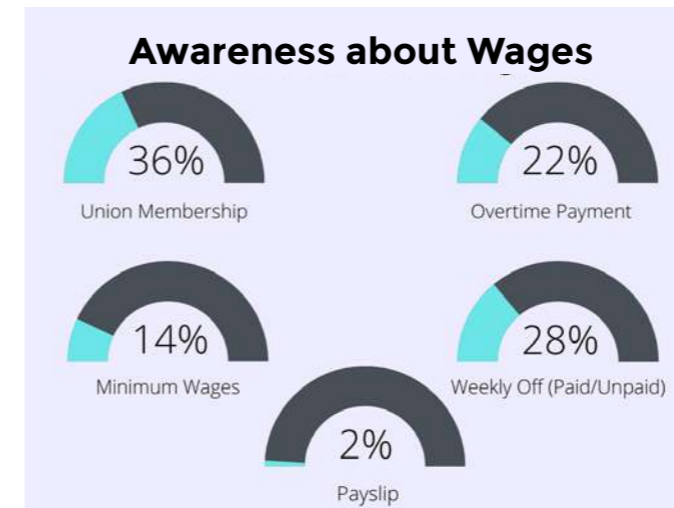
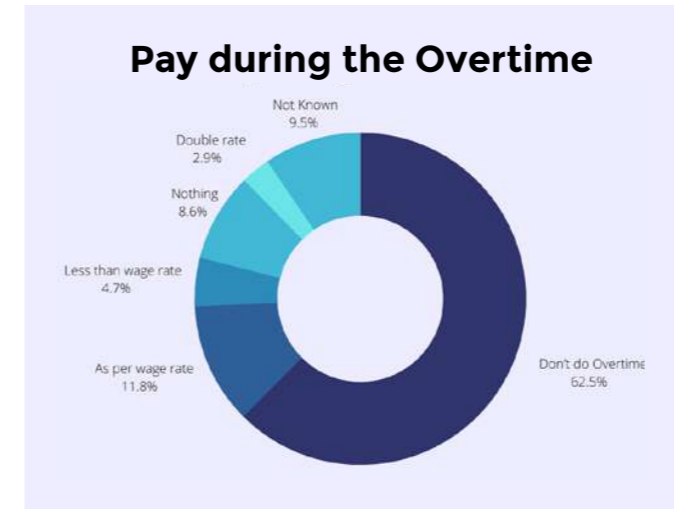


Figure 10: Overtime and Awareness about Wages

As saw in the previous section, almost 95 percent of workers are outside the purview of revised minimum wages despite having required skill sets. In Figure 10 shows that 63 % of workers don't do overtime work at the worksite. Only 12 % of workers receive overtime pay as per the prevailing wage rate and 3% receive double wage rate during the overtime shift. Approximately 5 % workers receive overtime pay less than the prevailing wage rate. Finally, 9% and 10% of workers receive either nothing or they are not aware about of overtime wages respectively. This indicate that worker's either don't do overtime due to prolong working hours or receive less than stipulated overtime pays during their shifts. While looking at the level of awareness on wages, only 36 % of workers have union membership and 22 % are aware about overtime payment. With respect to minimum wages, only 14 % are aware about minimum wages laws/policy and 28 % of workers are aware about weekly off (paid/unpaid). One of the reasons for not receiving stipulated wages is lack of enforcement of minimum wages at the worksite that allows employers to escape the regulatory bite of compliance. Secondly, even it is found that more than two third of workers are also not aware about these laws that strengthen their right to receive decent wages. It is interesting to note that 98 percent of workers do not receive pay slip at the time of receiving wages that turn the blind eyes towards their employer-employee relationship and legal entitlements.

In figure 11, the study report that 40 % of workers work on an average 7-8 hours in a day. Followed by, 19 % work around 9-10 hours in a day. Around 28 % of workers work less than 5-6 hours in a day. It is interesting to see that still 10% of workers work 12 hours every day and more than 35 % of workers work more than stipulated working hours (more than 8 hours in a day). Despite engaged into strenuous employment, only 5% of workers are receiving stipulated minimum wages and 95% are compelled to accept the wages offered by their employers not the regulatory bodies.

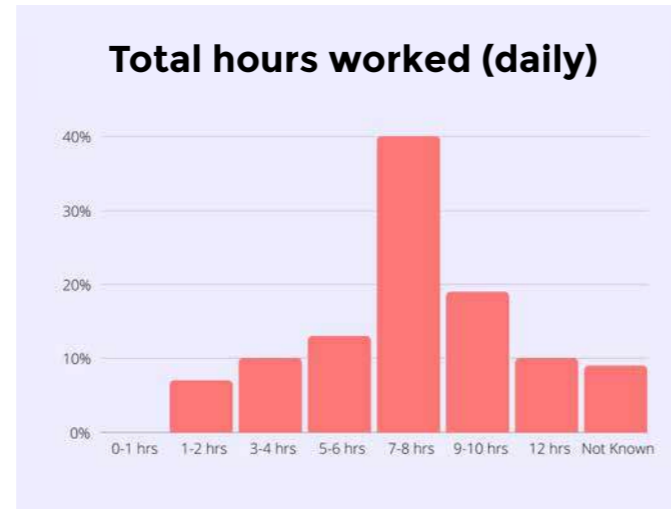


Figure 11: Average Hours Worked

As saw earlier, approximately 46% of workers earns monthly wages between Rs. 5000-9000/-. And only 5% of workers in the study respondents receive minimum wages. In such a situation, the opportunity to save for future exigencies are limited for workers. Around 74% of workers are able to save less than Rs. 500/- per month from their meagre earnings. This amount is also not enough to even get a social insurance scheme as provided by Government of India (such as ESIC). 21% of workers are able to save between Rs.500-1000/- per month. Only 3% of workers are manage to save more than Rs.2000/- from their earnings. This saving pattern indicate that not only workers present situation is in precarious condition, but their future too that could reproduce cobweb of vulnerability for their children and family.

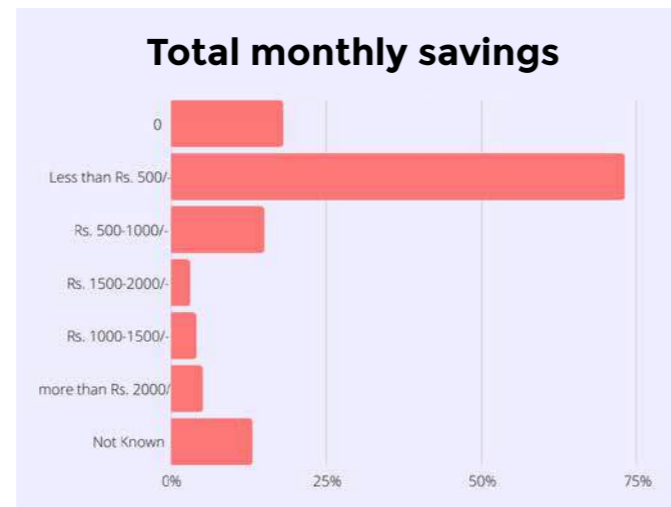


Figure 12: Average Savings

The study sample indicate that 43% are women workers. Of that 47% women workers earns monthly wage between Rs. 5001-9000/- and 7% earns less than Rs. 12000/- per month. It is interesting to see that only 2% women workers earn wages more than the stipulated minimum wages indicating significant gender-based wage disparity in the unorganized sector.

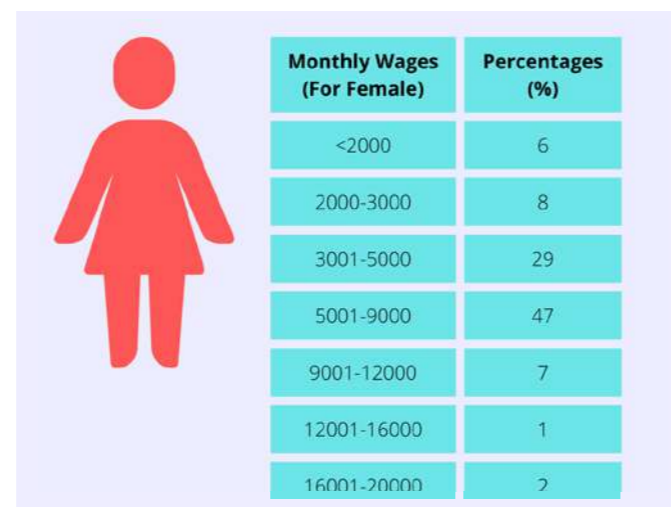


Figure 13: Monthly Wages: Female Workers

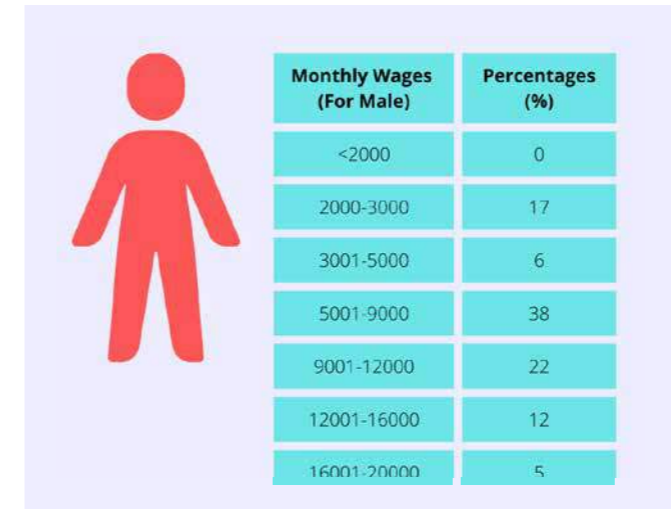


Figure 14: Monthly Wages: Male Workers

Of the 57% of male workers in the study sample, 38 % of workers earn between Rs. 5001-9000/- per month which is marginally lower than female workers. However, as compared to female workers, 15 % more male workers earn wages between Rs. 9001-12000/-. It is interesting to observe that 98% of female workers and 95% of male workers receive wages below the stipulated minimum wages. Even though there is gender-based disparity across the wage intervals; however, both genders are at wage disadvantages when they work in the unorganized sector.

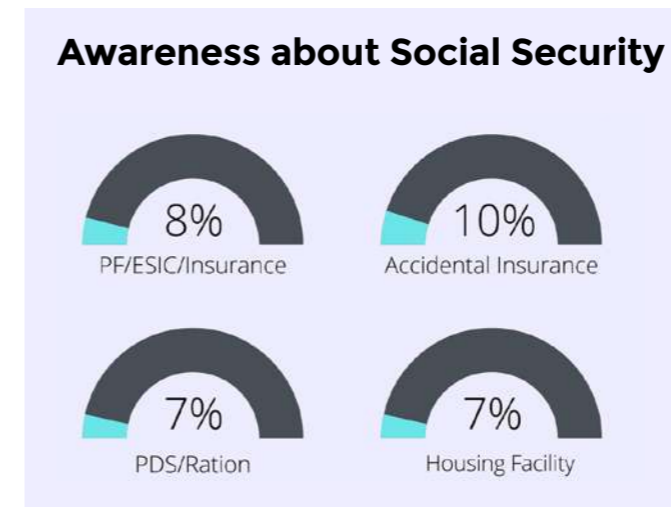


Figure 15: Awareness about Social Security

As saw previously more than 60 % of workers are below the primary level of education which results into lack of awareness about their social and legal rights about wages and employment conditions. In Figure 15, the study shows that 8% of workers in sample respondents are aware about PF/ESIC and Insurance schemes. 10% of workers are known to have compensatory benefits of accidental insurance. Majority of sample respondents are migrant workers, of that only 7% are about of facility to avail PDS/ration from their nearest PDS centre, indicating lack of awareness about ONE NATION ONE RATION card scheme or lack of portability of ration card at their destination work places. While working at the worksite, around 7% of workers aware about they have right to receive housing facility provided by their employers. In sum, more than 90 percent of workers despite working tirelessly are deprived from their social security benefits. One may attribute this to either to lack of awareness among workers or lax enforcement about social security that allows employers to perpetuated indecent working conditions for deprived unorganised sector workers.

As saw earlier, more than 90 percent of sample respondent are not aware about their social security rights. This lack of awareness is also reflected in their poor working condition. In Figure 16, the study report that 8% of workers feels their site is safe to work and 10% and 11% of workers reported to have changing room and first aid kit respectively, indicating that more than 90 % of workers are working in indecent working condition. Water is essential for life. 48% workers reported that they do not have drinking water facility at their worksite and 79 percent reported have no place to eat food at the work. Only 6 percent reported to have food available at worksite, showing that gross violation of fundamental rights with respect to Article 21 Right to Life through debasing their labour rights. Finally, 55% workers work in an environment wherein there is no proper ventilation and 68% of workers do not have toilet facility at worksite. When looking at the women workers, only 13 percent workers reported to have separate toilet for women workers. Overall, it shows that more than two third of workers work in indecent working environment without any sufficient facility and insecure work site premises, that could lead to unhealthy industrial relations and welfare losses for workers.

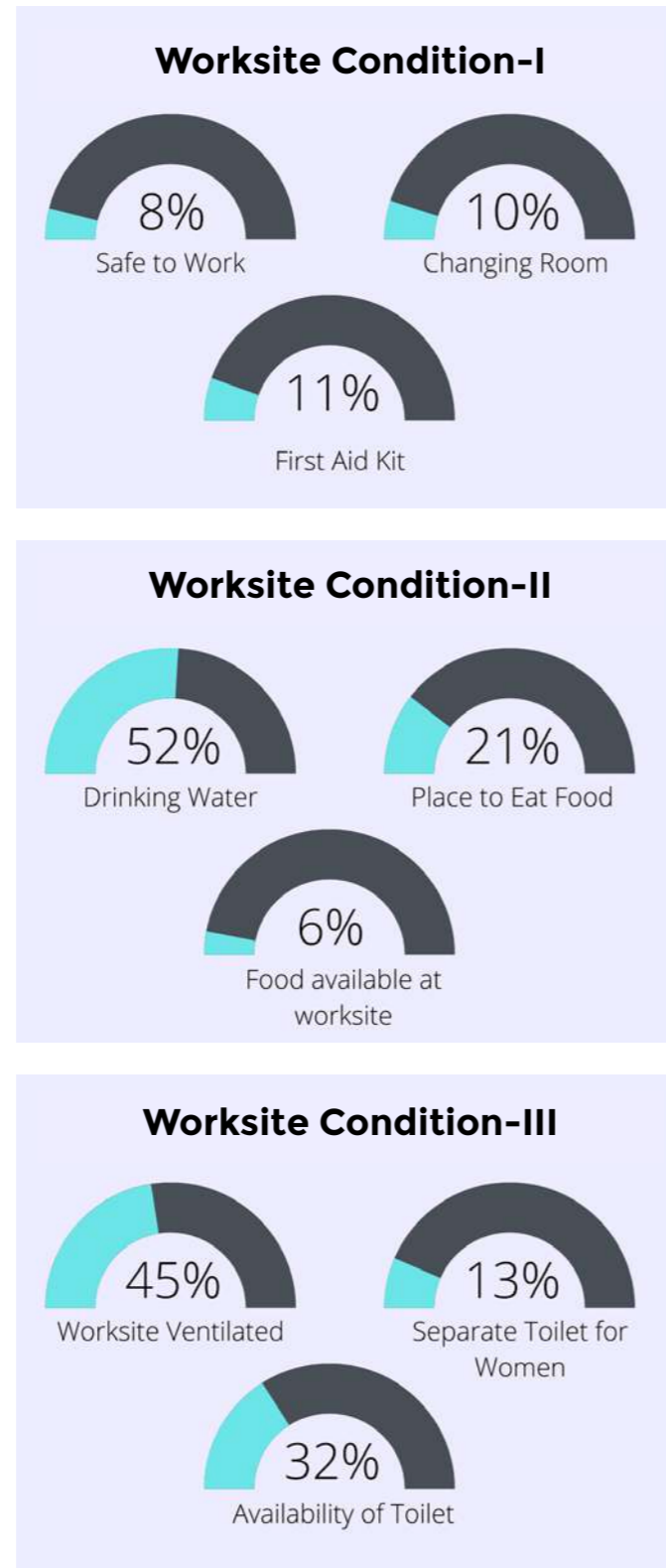


Figure 16: Worksite Conditions

IV. CONCLUSION AND WAY FORWARD



Although the Delhi government's step toward fixing minimum wages as per the recommendations of 15th ILC 1957 is a welcome step toward improving the living conditions of all workers. But, with the currently scheduled employment list (Minimum Wage Act, 1948), many sectors are excluded from this protection and further, the contractualisation of the employment has made it difficult for workers to access the minimum wages. Also, it is disheartening to note that the new labour codes, especially Wage Code 2019, dismantle the industry and state-specific committees that used to revise the wages according to the local demands of the workers and the inflation.

It is evident from above that a well-designed minimum wage system can be a strong tool for protecting workers and alleviating poverty if set at an appropriate level and ensures compliance. Also, high rates of non-compliance not only negatively affect the workers and their families, whose rights are

violated but also for compliant employers, as it gives non-compliant enterprises an illegitimate cost advantage.

Ensuring minimum wage compliance is not only a matter of putting in place a well-equipped system of inspection, rather, improved compliance depends on the effectiveness of the entire process of designing and implementing minimum wage policies, starting from the determination of the right level and rate structure in consultation with employers' and workers' organizations (RANI, et al., 2013).

Some policy recommendations for an effective design of the minimum wages system are as follows:

- **Coverage:** Minimum wages calculated as per the recommendations of 15th ILC 1957 should extend applicability to all employments/workers in all sectors and should cover both the organized as well as the unorganized sector.

Therefore, it is pertinent to remove the limiting thresholds and categories for inclusive implementation

- **Regular adjustment:** A mechanism should be developed to adjust minimum wages regularly based on the updated Consumer Price Index and more frequently, like countries like Montenegro, A dashboard needs to be set up by the Ministry of Labour & Employment, which shows the date of the last revision in the minimum wage adjunct to the mandated period. This would enable the dissemination of information and increase transparency in the system. The workers' organizations and employers should be actively engaged in both setting and implementing minimum wages, thereby creating an environment of "ownership" and social responsibility for implementation that can make a difference.
- **Information and awareness-raising:** information on applicable minimum wages should be available to both employers and workers – and to the public more generally. Along with information on applicable rates, awareness should be raised about the penalties in case of non-compliance and incentives for compliance (e.g. rating system for employers for increasing credibility by Govt). In addition, persuasive arguments and a supportive public discourse can be part of the construction of a "culture of compliance". For example, the United Kingdom spent £4.5 million on a national publicity campaign that televised advertisements on labour rights across the UK.
- **Role of Technology:** Technology can help in overcoming awareness and capacity building issues by making information available in a simple and clear manner. The use of a variety of online, mobile phone and networking technologies has the potential to facilitate the collection

and analysis of labour statistics, assist with the dissemination of information about labour laws and policies, reduce costs and improve transparency. A state-level dashboard can be created with access to regularly update the notifications regarding minimum wages. This portal must be made available at Common Service Centres (CSCs), Labour Departments, Ward offices etc., with the required mass media coverage so that the workers are well-informed, and their bargaining skills and decision-making power are strengthened. Information on various combinations of wages, occupations/skills and states can be made available so that workers can get easy access to whatever combination of minimum wages they want to know. The system should be built in a way that flashes 'red' alerts if the statute is not being followed in any occupation in the notified area.

- **Grievance redressal:** There should be an easy to remember toll-free number for anybody to register his grievance on non-payments of the statutory minimum wages. This number should be given wide publicity to make people aware of this avenue for grievance redressal. Swift action should be taken against the offenders and this action should be flashed on the dashboard without going into specific details. The impression of action being taken would act as a deterrent to employers to flout the statute.
- **Implementation of Urban Employment Guarantee (UEG) Program:** UEG program should be implemented as a legal entitlement to protect workers right, similar to MNREGA. This will ensure access to minimum wages along with the worksite safety and social security (refer to (Labour Axis, 2022)).
- **Penalties for non-compliance should be effective:** This requires appropriate implementation institutions and procedures to be set up to administer

and enforce them. In particular, relying primarily on court proceedings can be costly and lengthy. Ensuring that workers fully recover outstanding amounts easily, effectively and immediately is essential both as a remedy for the workers concerned and as an economic disincentive for employer non-compliance. However, the labour market experiences showcase that the employment decisions regarding wages are not exclusively motivated by short-term financial cost-benefit analysis, but that they take broader considerations into account, including "reputational risks".

- Therefore, it is pertinent to establish an employer-employee relationship in all the sectors, especially considering the challenges of "Supply Chain Governance". A contracting enterprise in the supply chain must ensure that its sub-contractors also abide by the agreements. Sub-contractors' employees can hold the contractors liable for missing wage payments in areas that fall under the extended collective agreement.
- This requires a tailored approach to the specific circumstances of high-risk industries and vulnerable groups of workers in the informal economy. The prevalence of informality in a given labour market segment is no reason for excluding it from coverage, not least because progress in compliance is possible in spite of informality.

In an historic judgement against bonded labour (Bandhua Mukti Morcha V. Union of India), Supreme Court declared that non payment of minimum wages (Bonded Labour System (Abolition) Act 1976) are subject to human slavery and therefore it should be treated as criminal offence. Therefore, as per the provisions in BLA Act 1976, a district level vigilant committee should be established to ensure the implementation of the Minimum Wages

along with BLA Act 1976. Non-Compliance of these two acts will be then considered as a criminal offence.

- **Involvement of Workers Organisations and Unions:** A tripartite decision making and consultation process facilitates the common interpretation of minimum wage law, thus avoiding misunderstandings and confusion among workers and employers. This will also help to disseminate information on minimum wages to their members and train employers' and workers' representatives to improve awareness and avoid misunderstanding.
- Empowering workers to claim their rights through individual complaints as well as collective action is also key. Therefore, again a strong representation of workers in the decision-making process becomes vital in developing mechanisms for effective and equal access to minimum wages.

Therefore, to conclude, the nature of work evolving as the technology is continuously transforming in the workplace as well as in work and employment relations. The impact is being felt both in the organised and unorganised sectors. It is imperative to extend concerted efforts to expand decent employment to young aspirants in the labour markets is a major concern. Establishing an effective minimum wage system that will lead to inclusive growth is, therefore, an urgent necessity.



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