

MINIMUM WAGES ACT, 1948

Background

- * The initiative started with the resolution placed by one Shri. K. G. R. Choudhary in 1920 for setting up Boards for determination of minimum wages in each industry.
- * The International Labour Conference adopted in 1928 Convention No.26 and Recommendation No. 30 relating to wage fixing machinery in trades or parts of trades.
- * On the recommendation of the Standing Labour Committee and Indian Labour Conference, a Labour Investigation Committee was appointed in 1943 to investigate into the question of wages and other matters like housing, social conditions and employment.
- * A draft bill was considered by the Indian Labour Conference in 1945.
- * The 8th meeting of the Standing Labour Committee recommended in 1946 to enact a separate legislation for the unorganized sector including working hours, minimum wages and paid holidays.
- * A Minimum Wages Bill was introduced in the Central Legislative Assembly on 11.4.46 to provide for fixation of minimum wages in certain employments. It was passed in 1946 and came into force with effect from 15.3.48.

Under the Act, Central and State Governments are appropriate Governments to

- (a) notify scheduled employment
- (b) fix/revise minimum wages

The Act contains list of all these employments for which minimum wages are to be fixed by the appropriate Governments.

There are two parts of the Schedule. Part I has non-agricultural employments whereas Part-II relates to employment in agriculture.

Criteria for notification of scheduled employment

Under the provisions of the Minimum Wages Act, 1948, both Central and State Governments are appropriate Governments to fix, review and revise the minimum wages of the workers employed in the scheduled employments under their respective jurisdictions. The appropriate Governments have also been empowered to notify any employment in the schedule where the number of employees is 1000 or more and fix the rates of minimum wages in respect of the employees employed therein.

There are 45 scheduled employments in the Central Sphere while in the State Sphere the number of such employments is as many as 1679.

The Minimum Wages Act does not provide for any discrimination between male and female workers or different minimum wages for them. All the provisions of the Act equally apply to both male and female workers.

Norms for fixation/revision of minimum wages

The norms include those which were recommended by the Indian Labour Conference in its session held in 1957.

- (a) 3 consumption units for one earner.
- (b) Minimum food requirements of 2700 calories per average Indian adult.
- (c) Clothing requirements of 72 yards per annum per family.
- (d) Rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme.
- (e) Fuel, lighting and other miscellaneous items of expenditure to constitute 20% of the total Minimum Wages.

Methods for fixation/revision of minimum wages Fixation

Section 3 empowers appropriate Government to fix the minimum rates of wages in the scheduled employments.

Revision

Revise the Minimum rates at an appropriate interval not exceeding five years.

Procedure for Fixation/Revision

In Section 5 of the Minimum Wages Act, 1948, two methods have been provided for fixation/revision of minimum wages. They are Committee method and Notification method.

Committee Method

Under this method, committees and sub-committees are set up by the appropriate Governments to hold enquiries and make recommendations with regard to fixation and revision of minimum wages, as the case may be.

Notification method

In this method, Government proposals are published in the Official Gazette for information of the persons likely to be affected thereby and specify a date not less than two months from the date of the notification on which the proposals will be taken into consideration.

After considering advice of the Committees/Sub-committees and all the representations received by the specified date in Notification method, the appropriate Government shall, by notification in the Official Gazette, fix/revise the minimum wage in respect of the concerned scheduled employment and it shall come into force on expiry of three months from the date of its issue.