

MINIMUM WAGES IN INDIA-A SPECIAL REFERENCE TO AGRICULTURAL SECTOR

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ABSTRACT:

The minimum wages in India is the most important strategy for the economic development of our country. Each and every sector of occupation has a fixed amount of minimum wages. The minimum wages of all sectors are not equal, this is an important state which leads to the inequality in the standard of living of people. Mainly, the minimum wages of agricultural sector is not the same to be given at all the regions of the country. The same occupation with the same labour has the varying minimum wages comes under the meaning of mismanagement. The difference in the minimum wages of agricultural sector in comparison with the minimum wages of other sectors and also the varying amount of ¹minimum wages in agricultural sector at different regions of the country is analysed in this² research paper.

KEYWORDS: Minimum Wages Act 1948, Agricultural Sector, Industrial Sector ,State Government, Reports.

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1.1 INTRODUCTION:

Agriculture is the backbone of the Indian economy. The agricultural labourers face various economic crises due to the minimum wages that they receive. The Government has brought various plans and policies to bring about the change in economic condition of the agricultural labourers. But, the impact of these plans and policies had not yield its results. The lowest pay permitted by law enactment influences the rural segment of the economy uniquely in contrast to different areas¹. It is demonstrated that an expansion in the government the lowest pay permitted by law brings down the wage of some horticultural laborer and causes nonagricultural specialists to move to agriculture. Today, farming is secured under the government the lowest pay permitted by law, however the lowest pay permitted by law enactment still differentially affects this division. For an assortment of reasons, including inability to authorize the law, not every single agrarian specialist get as much as the government the lowest pay permitted by law. The main aim of the study is to analyse the effects of minimum wages in India and compare the minimum wages in agricultural sector with other industrial sectors.

1.2 RESEARCH METHODS AND MATERIALS:

The research paper uses the non-doctrinal method which is the simple random sampling method. The sample size of the research paper is limited to 300 respondents, due to the limited time period available to the researcher. The primary and secondary sources of information were used. The primary sources of information used are Minimum wages Act of 1948, and labour act of 2003. The secondary sources of information used are journal articles, thesis, and working papers.

1.3 HYPOTHESIS:

H₀: There is no significant change after the implementation of Minimum Wages Act of 1948.

H_a: There is a significant change after the implementation of minimum wages Act of 1948.

1.4 REVIEW OF LITERATURE:

India is the first developing country to adopt minimum wages, its system also remains to this day, (Uma Rani, 2012). Agricultural sector is the mainstay of the Indian economy, contributing about 15% of the national gross domestic product, (GDP), (Amutha, 2016). But, the workers who benefit from the minimum wages are not the poorest of the poor, they are

able people only,(A.Srija,2014). The economic context of industrialisation has changed drastically,(Indira chakravarthi,2017). Inadequately staffed enforcement machinery and lack of political will on the part of the Government to ensure the payment of minimum wages to all the workers are responsible for non-implementation,(D.V.Giri,1998). The wage regulations in India do not measure upto the standards adopted in peer countries, (Hoda.et.al,2017). The income inequality in the past decade has increased in urban India by 3.6% points and in rural India by 1.3% points.,(Patrick Belser,2011). Socially useful decisions may be taken in regard to labour reforms,(Navin Chandra,2009). However,(Dr.Lakshmi T and Rajeshkumar S 2018)the industrial violence is not new to India,(Shyam sundar,2012). But, there is a need to fix some minimum wages to the workers,(Hemalatha Jodhav,2017). Miscellaneous items of expenditure constitute about 20% of the total minimum wage, (Renana Jhabvala,2017).A raise in minimum wages would ultimately lead to higher labour cost in the country,(Emily.et.al,2016). Domestic reforms need to be brought through(Trishala A , Lakshmi T and Rajeshkumar S, 2018) reduction of Government intervention in market economy,(Mohanakumar.et.al,2011). The 1948 legislation says that the appropriate Government should fix the minimum wages payable to the employees,(Aaron Kumah,2017). Wage determination at village level is interpreted as the outcome of tacit collective bargaining between village labourers and employees,(Ghaurav Datt,2016). Thus, the law is politically Correct but not based on sound economics,(Vijay Seth,2017).

2.1 MINIMUM WAGES IN INDIA:

The Indian economy is dualistic portrayed by the presence of a relatively efficient segment alongside a chaotic segment with a pre-predominance of independent work. ²As indicated by the NSSO 1Employment-Unemployment Survey of 2011-12, 92.2 percent of the specialists out of the aggregate workforce of 474.23 million are casual laborers. These laborers add to more than 60 for each penny of India's GDP development. Different investigations implied at jobless development that had occurred in India amid the late 20th and mid 21st century. While the economy developed at a yearly normal of 5-6 for each penny the net expansion to business was just 0.2 million of every 2009-10 more than 2004-05 according to NSSO Employment and Unemployment Survey of 2009-10. The business created was principally low gifted in the development part and of a casual nature. The workforce in the casual segment has no confirmation of wage assurance, government managed savings, word related security or business

solidness not to discuss better than average wage.³ Keeping in mind the end goal to address the issue of not too bad employment, the Government of India has been concentrating on comprehensive technique as far as expertise advancement, social security and work changes including stricter requirement of the Minimum Wages Act, 1948.⁴ The Minimum Wage Act,1948 gets its guideline from Article 43 revered in the Directive Principles of the Constitution of India which orders that "The state should try to secure, by appropriate enactment or monetary association or in some other path, to all specialists, rural, mechanical or something else, work, a living pay, states of work guaranteeing an average standard of life, and full satisfaction in relaxation and social and social open doors specifically" to guarantee a reasonable arrangement to the work class.⁵Further, Article 39 of the Constitution of India likewise strengthens that the State should, specifically, coordinate its strategy towards securing (a) that the resident, people similarly might have the privilege to a sufficient vocation and (b) that there is equivalent pay for break even with work for the two people.

3.1 MINIMUM WAGES ACT,1948:

The inquiry that in this way emerges is the way India has operationalised the usage of the previously mentioned Article 39 and 43 through the crystal of the Minimum wages Act, 1948. The activity for assurance of least wages was begun in 1920 when a proposition for setting up Boards for assurance of least wages in every industry was mooted. The International Labor Organization embraced in 1928 Convention No.26 and Recommendation No. 30 identifying with wage settling hardware in exchanges or parts of exchanges.⁶Thusly in 1943 on the proposal of the Standing Labor (Gindling and Terrell 2009) Committee and Indian Labor Conference, a Labor Investigation Committee was delegated to explore into the subject of wages and different issues like lodging, social conditions and work. The Indian Labor Conference considered a draft charge in such manner in 1945.The Standing Labor Committee in 1946 suggested ordering a different enactment for the disorderly area including working hours, least wages and paid occasions.⁷Likewise, a Minimum Wages Bill was presented in the Central Legislative Assembly to accommodate obsession of least wages in specific jobs which was passed in 1946 and came into constrain in 1948.

3.Amutha,present status of Indian agriculture.

4.Shyam sundar,Industrial violence and labour reforms.

5.Hemalatha Jodhav,fixing and revision of Minimum wages in India.

In the interim decaying modern relations constrained the Government to choose a Central Advisory Council to prompt the Government on issues identifying with installment of reasonable wages to work and reasonable profit for the capital utilized. The Central Advisory Council delegated a tripartite board of trustees called the 'Reasonable Wages Committee' to 'decide the standards on which reasonable wages ought to be based and to propose the lines on which these standards ought to be connected.' The report of this Committee was a noteworthy milestone in the historical backdrop of detailing of wage arrangement in India as it gave the definition for three levels of wages viz; a lowest pay permitted by law, a reasonable wage and a living pay. Least wages implies lawfully enforceable most reduced point of confinement of wage in a given industry in a given State settled by a procedure summoning the expert of the State. Least wages are typically settled for occupations in industry where laborers are not ensured by aggregate dealing, or statutory support in wage obsession.⁸ The Committee prescribed that "The lowest pay permitted by law must give, not just for the uncovered sustenance of life, but rather additionally for the safeguarding of the effectiveness of the laborer by accommodating some measure of training, prerequisites, (Pillai 1955) net admission of 2700 calories for each day per utilization unit, per capita utilization of 18 yards for every year, least lodging rent charged by the legislature for low salary gatherings, fuel, lighting and different incidental things of consumption to constitute 20 for every penny of the lowest pay permitted by law.⁹ Be that as it may, these standards were censured as being excessively optimistic giving little thought, making it impossible to the limit of the business to pay and the way of life of other comparative gatherings of individuals in the group (Dr. Shanta A. Vaidya). The National Commission on Labor, 1969 held that in settling the need based least wages the limit of the business to pay should be considered. "The need based least which is in the scope of lower level of the reasonable wage, pulls in its assurance, the businesses' ability to pay."

3.2 OBJECTIVE OF MINIMUM WAGES ACT, 1948:

To accommodate obsession of least wages in booked occupations.

To accommodate periodical modification of least wages so settled.

To accommodate an outline technique for recuperation of the adjust with punishment and consequent indictment of the business who pays not as much as the base wages settled by the Government.

6. Mohanakumar et al., impact of Economic crisis on workers in unorganised sector.

7.Aron kumah, Minimum wages compliance in developing countries.

8.Gaurav Datt, wage and employment determination

4.1 MINIMUM WAGES OF AGRICULTURAL SECTOR:

The State Government has informed the correction of least rates of wages for work in horticulture. On account of workers occupied with furrowing with their bullocks and furrows, the base wages are Rs.185 every day. On the off chance that they are locked in without their bullocks and furrows, the rate is Rs.100 every day¹⁰. In regard of those occupied with reap of paddy or products other than paddy, the rates are Rs.100 every day for men laborers who take the necessary steps for six hours and Rs.85 every day for ladies who take the necessary steps for five hours. Similar rates are connected to those occupied with exercises, for example, sowing, culling of seedling, re-planting of seedlings, weeding activities, trimming bunds and fields honey bee keeping, poultry cultivating, dairy cultivating and climbing trees. The notice has additionally made it clear that where there is no distinction in the every day hours of work and where a similar work or work of a comparative sort is played out, no refinement in the installment of wages ought to be made amongst people specialists according to the Equal Remuneration Act.

4.2 IMPLEMENTATION OF MINIMUM WAGES ACT,1948:

T.M.Anbarasan, Labor Minister, said the Panchayat Raj and Rural Development Department would issue a request in the blink of an eye to reexamine the base wages paid to recipients of the National Rural Employment Guarantee Scheme.¹¹ The average daily wages for ploughing and spraying pesticides in Koppal in Karnataka varied between ₹.162.50 and ₹.184.50 on MNC farms and between ₹.160.80 and ₹.184 on farms producing for local companies. The difference in average wage rates was marginal which is less than 3% between MNC's and local companies. Comparison of wage data between farms producing for MNC's and local companies show no variation.

There have been concerns that raising minimum wage may draw labour away from farming and lead to a manpower shortage in agriculture. ₹.115 per day is the minimum wage to be made mandatory in all states.¹¹

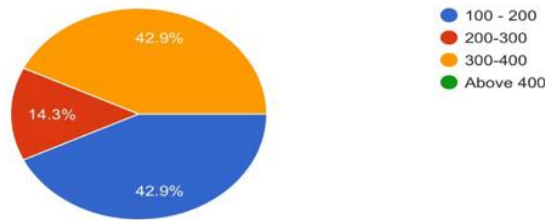
5.1 SURVEY ON MINIMUM WAGES OF AGRICULTURAL LABOURERS :

Out of 300 respondents, 42.9% earn 300-400 as their minimum wage, 14.3% earn 200-300 as their daily wage, and 42.9% earn 100-200 as their daily wages.

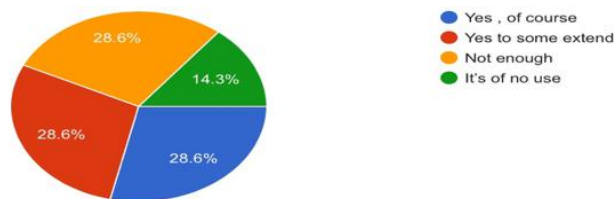
9.Priya Deshingkar, Extending labour inspections to the informal sector and agriculture.

10.A.Srija, Implementation of Minimum wages Act 1948,

Your daily wages as a farmer

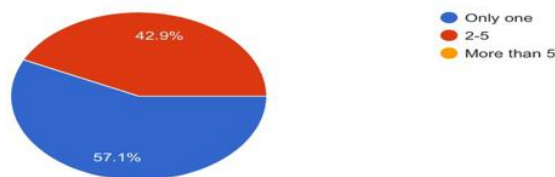


Do you think the provisions for minimum wages in agricultural sector is satisfactory?



Out of 300 respondents, 28.6% are aware of provisions of minimum wages act, 57.1% are not aware of provisions of minimum wages act and 14.3% are not much aware of provisions of minimum wages act.

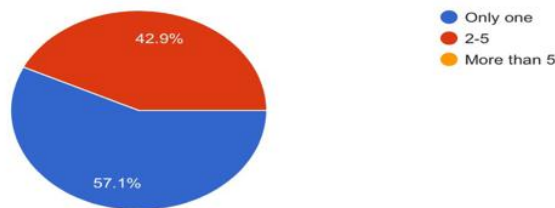
How many are in agricultural sector in a family?



Out of 300 respondents, 28.6% state that provisions of the act are satisfactory, 28.6% state that provisions are satisfactory to some extent only, 14.3% state that the provisions of minimum wages act are of no use, and 28.6% state that the provisions of minimum wages act are not enough.

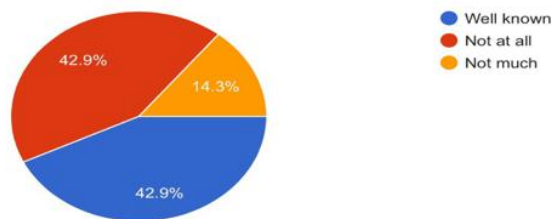
- 11.Uma Rani, the effectiveness of minimum wages in developing countries.
- 12.Shantanu Khanna, gender wage discrimination in India 13.India Times, 2017.

How many are in agricultural sector in a family?



Out of 300 respondents, 42.9% state that 2-5 people in their family are in agricultural sector and the rest state that only one is in the agricultural sector in their family.

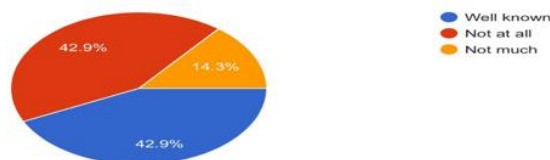
Are you aware of mahatma Gandhi rural employment generation programmes?



Out of 300 respondents, 42.9% are aware of the MGEGP, 42.9% are not aware of the MGEGP and the rest are not much aware of the MGEGP.

Out of 300 respondents, 57.1% state that there are recent changes in the minimum wages of agricultural labour, 42.9% state that there are no recent change

Are you aware of mahatma Gandhi rural employment generation programmes?



in minimum wages of agricultural labour.

5.1 CONCLUSION:

In many states, the minimum wages act has not been implemented properly in the agricultural sector. There is lack of awareness about the act among the workers and farmers alike. Thus, in this research paper, the comparison of minimum wages in agricultural sector with other industrial sectors were made. The implementation of minimum wages in agricultural sector in some regions has brought about a reformation in the lives of poor people. Hence, there is a significant change after the implementation of minimum wages act of 1948.

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