

# Wage Policy in India

## **Introduction**

It is the right of every man to be paid duly for his work irrespective of his religion, caste, and creed. However, it has been observed that in certain places the workers have been denied of the rights to proper pay by their employers. Because of this, certain laws have been drafted for safeguarding the rights of these workers to fair wages.

Firstly, we must know what the term wage refers to. Any sort of remuneration given for a particular work can be categorized as:

- Wage - this is the form of remuneration usually administered on a daily basis to the labourers. This term is usually common in use for Blue Collar type of jobs.
- Salary - the remuneration that is usually given on the completion of a specified term usually monthly is called salary.

Most countries have a predetermined wage policy according to which the wages of the workers are given. Wages are of three types that have been determined by the Legislature.

Minimum wages - this refers to the minimum amount of P that the worker needs for sustaining a normal life which includes basic amenities and requirements for him as well as his family.

Fair wages - fair wages refer to the amount that prevails within the particular section of workers in different industries.

Living wages - living wages are higher than fair wages and it provides for basic subsistence as well as certain extra comforts that may include education, insurance, medical aids, etc.

The specified amount for each of these wages are usually determined on the basis of various factors which includes the employer's capacity to pay as well as the economic conditions of the workers as well as the prevailing purchasing power parity.

## **Wage policy**

Wage policy refers to the guidelines that have been laid down by the government

in order to safeguard the rights of the workers and ensure proper payment by their employees. The wage policy also serves as a skill for the determination of the the wage policy also serves as a skill for the determination of the wages to be given for a particular work.

## Objectives

- One of the major objectives of the wage policy of India is to raise the living standards of the people particularly the working class. The benefits of economic development should be equally dispersed among all sections of the society.
- Since Independence our economy has been following a. inclusive socialistic pattern at the same time promoting free market trade. Because of this the working class should always be safeguard it from exploitation by the employers.
- The national wage policy has been drafted in such a way as to provide the highest possible wishes to the workers in relation to the economic conditions of the people, the living standards as well as the social purchasing power parity of the currency. This ensures that the entire hierarchy from the owner to the lowest level of employee gets there share of the benefit as a result of development of the economy.
- Elimination of malpractices in the drainage of wages midway in the flow of remuneration from the top level to the lowest employee.
- India has a large unorganised section of work where the employees or workers are not in a very rooted situation to fight for their own rights to fair pay.
- The national wage policy also ensures that the difference in wages among same sectors of labourers is reduced.
- To rationalize inter occupational, inter Industrial, and inter regional wage differential in such a way that disparities are reduced in a phased manner.
- To make sure that the difference in which is between the private and public sector is reduced in a phased manner.
- To compensate workers in the form of periodic raises so that their wages are in pace with the increase in the living costs due to economic factors like reduced growth and inflation.
- The national wage policy has also been made to ensure that extra pay is not given to the labourers to an extent that it might result in loss of capital for the employing institution.
- The national wage policy also promotes the growth of trade unions and collective bargaining.
- To promote bilateral collective bargaining within the national framework so that anomalies in wages create high wage islands.
- The national wage policy provides for the payment of incentives to the workers for better work. The system of more pay for more work is promoted.
- To promote more efficient allocation and utilization of Manpower through wage differentials and appropriate systems of payment.

## **Economic objectives:**

The economic objective of the wage policy is to ensure full employment and proper allocation of manpower. This will result in a High Street of economic homeostasis regular with a stable rate of progress. Income security for all sections of the community is also a major objective of the wage policy.

## **Social objectives of wage policy**

- The wage policy also a certain social responsibilities like eliminating improper and low wages.
- Establishing standards for safety and fair pay of the labourers.  
To protect the wage earners from the adverse effects of economic fluctuations.
- Proper incentives should be given to the workers if they work more so that the increased production may improve the economy.

## **Evolution of his policy in India**

The first step that was taken to ensure the rights of the wage earners was the Payment of Wages Act 1936 which was mainly need to ensure timely payment of wages to the employees.

After that in 1947 the industrial disputes act was passed which authorized all state governments to setup industrial tribunals to look into disparities relating to wages. Another notable development that led to the evolution of the Wage Policy was the enactment of the minimum wages act 1948 later came there equal remuneration act of 1976 which prohibited the discrimination in matters of wages on the basis of religion, caste or sex.

## **Wage Board**

In order to determine the wages for a particular section of workers, a tripartite which board is set up which is a voluntary negotiation board that has equal representation of the employees as well as the employers. An independent individual is usually selected as the chairperson of the board.

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