



Chapter - 21

LAW FOR MINIMUM WAGES AND SOCIAL JUSTICE

SOLUTIONS:

EXERCISES:

1. Answer the following questions in about 30/40 words:

I. Why do we need a law on minimal wages?

Ans: We need a law on minimal wages to ensure that workers are not underpaid or paid fairly. As the economy of India expanded and living standard changed with time, there is a need to revise the law as well as the minimum wage from time to time.

II. What is the difference between living wage and fair wage?

Ans: 'Living wage' is the level of income for a worker which will ensure a basic standard of living including good health, dignity, comfort, education and provide for any contingency.

Whereas, 'fair wage' is that level of wage that not just maintains a level of employment but seeks to increase it keeping in perspective the industry's capacity to pay.

III. What is the conflict between MGNREGA wage rates and Minimum Wages Act?

Ans: The Central Government delinked MGNREGA wage rates from State specific wage rate in January 2009. The move of freezing MGNREGA scheme created an upheaval of discontent in various parts and sections of India as the move was considered to breach Minimum Wages Act, 1948. MGNREGA wage rates were less than minimum wage rates of respective states.

IV. What the debate surrounding the Minimum Wage Act in India?

Ans : India introduced the minimum wages act in 1948, giving both the central government and state government jurisdiction in fixing wages. Under the law, wage rates in scheduled employments differ across states, sectors, skills, regions and occupations owing to difference in costs of living, regional industries' capacity to pay, consumption patterns, etc. Hence, there is no single uniform minimum wage rate across the country and the structure has become overly complex.

V. Do you think minimum wage act has fulfilled needs of the people in India in raising their living standard?

Ans: Yes, minimum wage act fulfilled the needs of the poor people. But living standard is not raised to that much level as expected.

2. Choose the correct answer:

A. The level of income for a worker which will ensure a basic standard of living including good health, dignity, comfort, education and provide for any contingency.

- a) Daily wage
- b) Living wage
- c) Fair wage

B. Under the Minimum Wages Act, the power to fix and revise minimum wages is with the

- a) State Government
- b) Central Government
- c) State and Central Government

C. Wage Law concerns

- a. Indian Labour Law
- b. Indian Wage Law
- c. Indian Social Justice Law

D. In 1948, the Central Advisory Council appointed a Committee of Fair Wage

- a) Single
- b) Dual
- c) Tripartite

E. The wage rate for a scheduled employment is to be fixed or revised by

- a) A Commission
- b) The respective state governments
- c) Central Government

Answers: A – b) Living Wage, B – c) State and Central Governments, C – a) Indian Labour Law, D – c) Tripartite, E – b) The respective state governments.

