# Minimum Wage Policy

## What is the issue?

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- Currently, the 7th Pay Commission Recommendations are being implemented.
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- So the time is ripe for bettering the wages of those in the unorganised sector.
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## What constitutes the unorganised sector?

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- About 500 million Indians languish in the “unorganised sector”.
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- A disconcertingly large portion of them remain vulnerable to the vagaries of unemployment, exploitation, insecurity and poverty.
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- Social degradation, cultural exclusion and developmental neglect are also other aspects that accompany this.
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- Notably, this sector contributes 45% of the wealth of our country — though is often perceived a national liability.
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## What is the Pay-Wage dichotomy?

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- Pay refers to the remunerations that are derived by those employed in the organised while wage refers to the unorganised.
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- While pay revisions are widely discussed, wages of the unorganised sector

doesn’t get the same level of scrutiny.
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- Salaries have undergone big increases in India and corporate emoluments have are increasing rapidly too.
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- But wages (in real terms) remains where it was before the beginning of the ‘New Economic Policy’ of 1991.
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- Wages of the unskilled workers vary wildly from Rs 850 per day in Kerala to a third of it in most other parts of the country.
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## What can be a minimum accepted standard?

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- The connection between poverty and the systemic injustice done to those bracketed in the “un-organised” sector needs recognition.
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- We therefore need to evolve a rational minimum wage policy.
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- The peons/attendants are the lowest paid in the organised sector, who currently have a minimum take away of Rs 25,000 a month.
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- While there are a lot of other benefits in the organised sector, that those in the unorganised lack.
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- We should therefore atleast ensure that the minimum wages in the unorganised sector are comparably close to the organised.
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**Source: Business Standard**

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