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Living Wages, India

ONOW
2025

ONOW INDIA, 2025

Transitioning to a Living Wage System in India A Path Towards Social Justice

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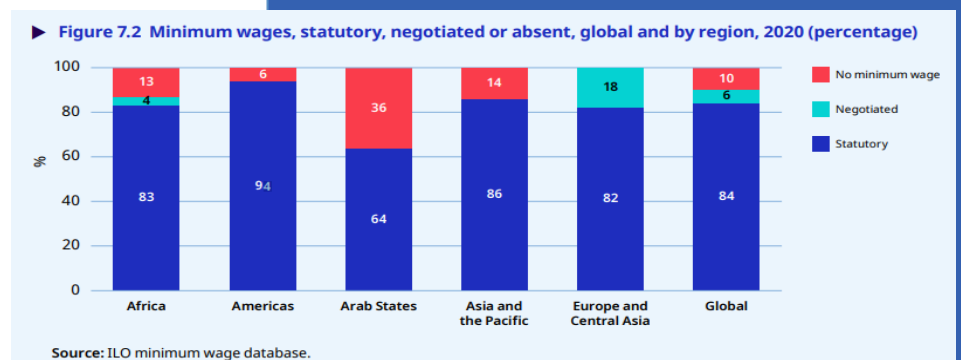
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ONOW INDIA, 2025

March 2024 New Delhi announced its intent to seek ILO's help as India plans the shift from minimum wages to living wages system. Reports across print and digital media said; "India has sought technical assistance from the International Labour Organization (ILO) to help create a framework for estimating and operationalizing a living wage system, which it plans to replace the minimum wage with by 2025."

The Minimum Wage System, while serving as a baseline for ensuring workers' remuneration, often falls short in providing a dignified standard of living to our huge work force. The concept of a Living Wage System aims to rectify this disparity by ensuring that wages are not just subsistence-level but sufficient to meet the basic needs of workers and their families. This shift acknowledges the holistic well-being of the workforce and aligns with global standards advocated by organizations like the International Labour Organization (ILO).

Several countries have already adopted living wage systems, demonstrating the feasibility and benefits of such an approach. Nations like Denmark, Australia, and New Zealand have successfully implemented living wage policies, resulting in improved living standards, reduced poverty, and enhanced social cohesion. Drawing lessons from these experiences can inform India's transition strategy



Most countries in the world have minimum wage legislation.

**Ref. WEF, FINANCIAL AND MONETARY SYSTEMS, "Which countries have the highest minimum wages in the OECD?" Aug 22, 2022. World Economic Report*

POPULATION AND DEMOGRAPHICS

Worker Population Ratio is an indicator used for analyzing the employment situation in the country

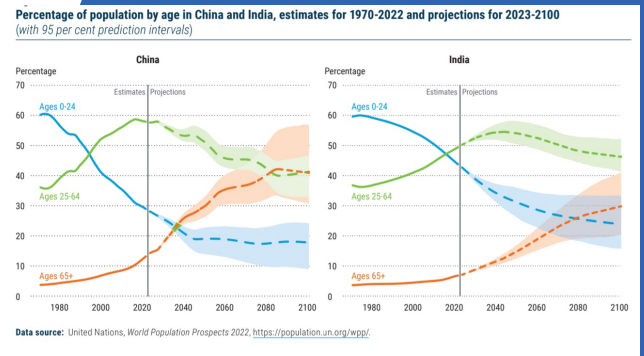
The Working Population

India's labor encompass a diverse range of employment sectors, both organized and unorganized. The minimum wage standards vary significantly across states, with disparities in rates between regions, industries and job profile. India's population is now estimated to be at 1.4 billion and is expected to peak slightly below 1.7 billion in the mid-2060s..

Although a larger proportion of India's population is of working age, those between the ages of 15 and 64 only make up 51% of the country's labor force, compared to 76% in China.

As per data available; the labor force has grown from 485.3 million in 2017–18 to 537.9 million in 2019–20 and forms a large constituent of the entire population.

This increase has been seen across both male and female populations, as well as in both rural and urban households.



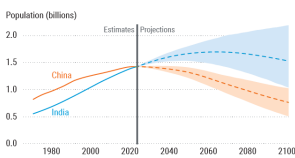
Percentage Division of Work Force

The Indian workforce is typically categorized into organized and unorganized sectors: The Organized Sector comprises industries and enterprises that are registered, regulated, and have formal employment relationships. Examples include government establishments, large corporations, and industries covered under labor laws. The organized sector accounts for a smaller proportion of the overall workforce, estimated at around 10-15%.

The Unorganized Sector encompasses a vast array of economic activities characterized by informal employment arrangements, lack of regulation, and limited social protection. It includes small-scale enterprises, self-employed individuals, casual laborers, and workers in agriculture, construction, and domestic work.

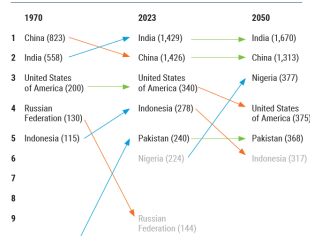
The unorganized sector constitutes the majority of India's workforce, estimated at around 85-90%.

Trends in total population for China and India, estimates for 1970-2022 and projections for 2023-2100 (with 95 per cent prediction intervals)



Data source: United Nations, World Population Prospects 2022, <https://population.un.org/wpp/>.

Top five most populous countries, estimates for 1970 and projections for 2023 and 2050



Note: Numbers in parentheses refer to total population (in millions) on 1 July of the referenced year.

Data source: United Nations, World Population Prospects 2022, <https://population.un.org/wpp/>.

¹ United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022: Summary of Results. UN DESA/POP/2022/TR/NO. 3.

GLOBAL AND NATIONAL FRAMEWORK

International Labour Standards on Occupational Safety and Health Framework

The ILO Framework

The **International Labour Organization (ILO)** plays a pivotal role in shaping global labor standards and advocating for fair and decent working conditions worldwide. Understanding the ILO framework is essential for contextualizing discussions surrounding the implementation of a Living Wage System in India.

The 350th ILO Governing Body Meeting, held on March 14, 2024, addressed various issues related to labor rights, social protection, and employment policies. While specific decisions from this meeting may vary, it is likely that discussions regarding living wages, decent work, and social justice were prominent on the agenda. Resolutions and recommendations adopted during such meetings can influence national policies and priorities, including those related to wage regulations.

India holds a significant position within the ILO as one of its founding members since the organization's establishment in 1919. Additionally, India has maintained a permanent seat in the ILO's Governing Body since 1922, underscoring its commitment to global labor governance and cooperation.

As a member state, India is expected to adhere to ILO conventions, recommendations, and principles concerning labor rights and standards.

The recent decisions made at the 350th ILO Governing Body Meeting underscore the importance of implementing fair wage systems globally.

The Code On Wages, 2019, India

The Code of Wages, 2019, notified on August 8, 2019, represents a significant legislative reform aimed at rationalizing and simplifying wage-related regulations in India. These codes consolidate and amend 29 central laws that regulate labor under the provisions from the following four Acts

- **The Payment of Wages Act, 1936**
- **The Minimum Wages Act, 1948**
- **The Payment of Bonus Act, 1965**
- **The Equal Remuneration Act, 1976**

The other three codes are the Occupational Safety, Health and Working Conditions Code, the Industrial Relations Code, and the Code on Social Security, which have been passed in 2020 but not yet come into force.

The primary objectives of the Code of Wages include:

- Ensuring timely payment of wages and bonuses to workers.
- Simplifying and rationalizing wage-related regulations.
- Establishing a universal minimum wage across the country.

Key areas of focus for the implementation of the Code of Wages include:

- **Notification of Minimum Wages:** State governments are responsible for notifying minimum wage rates for different categories of workers, taking into account factors such as skill level, nature of work, and cost of living.
- **Compliance Mechanisms:** Strengthening enforcement mechanisms and monitoring systems to ensure compliance with wage regulations, particularly in sectors with high incidences of labor exploitation and non-compliance.
- **Awareness and Capacity Building:** Enhancing awareness among employers and workers about their rights and responsibilities under the Code of Wages and building the capacity of labor enforcement agencies to effectively implement wage-related laws.

KEY SOCIAL DEFINATIONS

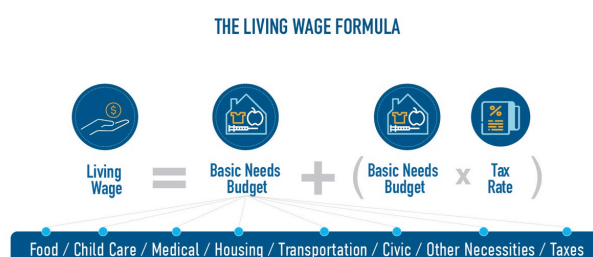
Several countries, such as Denmark, Australia, and New Zealand, have already implemented living wage systems to ensure their workforce's well-being.

Understanding the difference between minimum wages and living wages is crucial in delineating the objectives of this transition. While minimum wages represent the legally mandated floor for compensation, living wages encompass the income necessary to afford basic necessities such as food, shelter, healthcare, education, and other essential needs. The International Labour Organization (ILO) advocates for living wages as a fundamental human right, emphasizing the dignity of labor and social equity.

Key social expenditures of a household in India, as endorsed by the ILO, include:

- **Food:** Ensuring access to an adequate and nutritious diet is crucial for maintaining health and well-being. Food expenses encompass expenditures on staples such as grains, pulses, vegetables, fruits, and other essential food items.
- **Housing:** Access to safe and decent housing is fundamental for providing shelter and security to households. Housing expenses include rent payments, utilities, maintenance costs and expenses related to housing improvements or repairs.
- **Healthcare:** Access to affordable healthcare services and medications is essential for addressing health needs and preventing illness. Healthcare expenses encompass costs associated with doctor visits, hospitalization, medicines, diagnostic tests, and health insurance premiums.
- **Education:** Investing in education is crucial for improving socio-economic mobility and enhancing future opportunities. Education expenses include school fees, tuition, textbooks, uniforms, transportation, and other educational materials or supplies.

By ensuring that workers receive living wages, policymakers and employers can promote social equity, reduce poverty, and foster inclusive development. Living wages empower workers to meet their basic needs, invest in their families' well-being, and contribute to the overall prosperity of society.



IMPLICATIONS OF IMPLEMENTING

Understanding the implications of transition from a Minimum Wage System to a Living Wage System in India is essential for assessing the potential impact of this transformative shift.

Employees

- **Improved Financial Security:** Employees stand to benefit from receiving wages that adequately cover their basic needs, leading to improved financial security and stability.
- **Enhanced Quality of Life:** With higher wages, employees can afford better housing, healthcare, education, and other essential amenities, thereby enhancing their overall quality of life.
- **Increased Motivation and Productivity:** Higher wages can motivate employees to perform better at work, leading to increased productivity and job satisfaction.

Daily Wagers

- **Reduced Vulnerability:** Daily wagers often face precarious employment conditions and income volatility. A living wage system can reduce their vulnerability by providing a more stable and sustainable source of income.
- **Income Stability:** With consistent and adequate wages, daily wagers can better plan their finances and meet their daily expenses without the uncertainty associated with fluctuating incomes.

Gig Workers

- **Fair Compensation:** Gig workers, who often work on short-term contracts or freelance arrangements, can benefit from a living wage system that ensures they receive fair compensation for their services.
- **Social Protection:** Living wages can contribute to the social protection of gig workers by providing them with a more secure income and enabling access to benefits such as healthcare and retirement savings.

Employers

- **Higher Labor Costs:** Employers may face increased labor costs due to the implementation of living wage standards. However, this could be offset by benefits such as improved employee retention, reduced absenteeism, and higher productivity.
- **Compliance with Regulations:** Principal employers, who engage contract workers through contractors or agencies, are responsible for ensuring compliance with wage regulations, including living wage standards.
- **Enhanced Corporate Image:** Employers who pay living wages demonstrate a commitment to social responsibility and fair labor practices, which can enhance their corporate image and reputation among consumers, investors, and employees.

Contractors or Agencies:

- **Adaptation to Wage Standards:** Contractors and agencies responsible for hiring and managing workers must adapt to the new wage standards mandated by living wage regulations.
- **Negotiation with Principal Employers:** Contractors may need to negotiate fair contracts with principal employers to ensure that they can cover the increased labor costs associated with living wages while maintaining profitability.

Governance Departments:

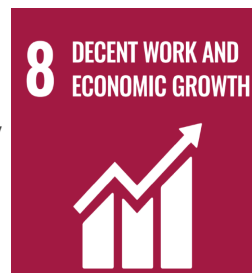
- **Enforcement and Monitoring:** Governance departments, such as labor ministries and regulatory bodies, play a crucial role in enforcing and monitoring compliance with living wage regulations.
- **Policy Implementation:** An implementing living wage system requires coordination and collaboration among governance departments to ensure effective policy implementation and enforcement across sectors and regions.

ILO+UN SDGs ON LABOUR STANDARDS

The International Labour Organization (ILO) focuses on several Sustainable Development Goals (SDGs) that directly or indirectly impact living wages. Several goals intersect with the concept of fair and decent wages.



Goal 1: No Poverty: Ending poverty in all its forms is a fundamental aspect of achieving fair wages. Poverty often results from inadequate wages, and ensuring decent living wages is essential for poverty eradication.



Goal 8: Decent Work and Economic Growth: This goal directly addresses the need for decent work, which includes fair wages, among other factors. Sustainable economic growth should be accompanied by fair and equitable remuneration for workers.



Goal 3: Good Health and Well-being: Adequate wages are necessary for individuals and families to afford healthcare, nutritious food, and access to other essential resources for maintaining good health and well-being.



Goal 10: Reduced Inequalities: Ensuring fair wages helps reduce economic inequalities within and among countries. Addressing income inequality is essential for achieving sustainable development and promoting social cohesion.



Goal 5: Gender Equality: Achieving gender equality includes ensuring equal pay for equal work, which is a crucial aspect of fair wages. Women are disproportionately affected by low wages and wage gaps, so addressing gender inequality is vital for improving living wages.



Goal 16: Peace, justice and strong institutions. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Achieving these goals can significantly contribute to the realization of fair and decent wages worldwide, as advocated by the ILO towards India's transition to Living Wage System.

ILO+UN SDGs ON LABOUR STANDARDS

There is an increasing pressure on Governments and companies to address low wages and take action to ensure a living wage for all workers

- In 2023, the UN Global Compact launched the Forward Faster initiative to take action on living wage and accelerate progress across all 17 Sustainable Development Goals.
- In 2020, the European Commission launched a new Directive on Adequate Minimum Wages.
- In 2021, various industry platforms, such as UN Global Compact, Business for Inclusive Growth and Aim Progress published statements in support of living wage and living income economies.
- In 2022, the UN Global Compact partnered with IDH to launch the Think Lab on Living Wage.
- In February 2022, the EU published a legislative proposal on the Corporate Sustainability Due Diligence Directive (CSDDD)(European Commission, 2022). Later that year, a collective of 60 companies and organizations advocating for living wages issued a public letter in support of the inclusion of living wage and income in the CSDDD as a human right, and to not compromise on the definitions of living wage and income.
- The German, Dutch and Belgian Governments signed a joint declaration in January 2021 to promote living incomes and wages.
- In April 2022, members of ShareAction's Good Work Coalition – a coalition of 10 institutional investors worth GBP2.2 trillion and 108 individual investors, have filled a living wage resolution calling for Sainsbury's to accredit as a living wage employer and is aiming to target other supermarkets as well (ShareAction, 2022).
- At the June 2022 International Labour Conference, the International Labour Organization (ILO) adopted a resolution acknowledging the concept of a living wage and calling for ILO's assistance to member states (ILO, 2022, article 45b).

International labour Standards are used as basis for a number of purposes:

- **As models for national labour law** : International labour standards serve as templates for developing national law and practice in a particular field.
- **As guidelines for social policy** : International labour standards can provide guidance for developing national and local policies, such as work and family policies. They can also be used to guide improvements in administrative structures such as labour administration, labour inspection, social security administration, employment services, etc. Standards can also serve as a source of sound industrial relations applied by labour dispute resolution bodies, and as models for collective agreements.
- **As a legal or policy basis for other areas** : Reports on the application of standards are regularly submitted to the United Nations human rights bodies and other international entities. For example, increasing consumer interest in the ethical dimensions of products has led multinational enterprises to adopt voluntary codes of conduct to improve labour conditions along global supply chains.
- **As sources of international law applied at the national level** : In many countries, ratified international treaties apply automatically at the national level. Their courts are thus able to use international labour standards to decide cases on which national law is inadequate or silent or to draw from definitions set out in the standards, such as "forced labour" or "discrimination".

Ref:

- <https://www.thinkstep-anz.com/resrc/sdg-focus/>
- *SDG indicator metadata (Harmonized metadata template - format version 1.1)*
- https://www.ilo.org/global/topics/employment-promotion/epaf/diagnostics-toolbox/WCMS_849382/lang--en/index.htm

ILO+UN SDGs ON LABOUR STANDARDS

Estimating living wages for India involves considering various factors related to the cost of living and the socio-economic context of different regions within the country. While there isn't a single universally accepted method for estimating living wages, several approaches

Basic Needs Approach:

This method calculates the income necessary to meet basic needs such as food, shelter, clothing, healthcare, education, and transportation. It often involves conducting household surveys to determine expenditure patterns and the cost of essential goods and services.

Cost of Living Index:

Using a cost of living index, researchers assess the relative price levels of goods and services across different regions in India. This index can help determine the minimum income required to maintain a certain standard of living, accounting for variations in prices and expenses.

Budget Standards Approach:

Researchers develop budget standards or baskets of goods and services deemed necessary for a decent standard of living. By calculating the cost of these items, they estimate the income required to afford them. This approach may also consider factors like family size and composition.

Needs-Based Methodologies:

Some methodologies focus on estimating living wages based on the specific needs of different demographic groups, such as rural versus urban populations, or skilled versus unskilled workers. These approaches tailor the estimation process to the unique circumstances of each group.

Participatory Approaches:

Participatory methods involve engaging with workers, community members, and other stakeholders to identify their perceptions of a living wage and the factors that contribute to a decent standard of living. This qualitative approach can complement quantitative analyses and provide valuable insights into local contexts.

International Benchmarks:

Researchers may use international benchmarks and standards to estimate living wages in India. This could involve comparing wage levels to internationally recognized poverty thresholds or minimum income standards set by organizations like the International Labour Organization (ILO).

Dynamic Modeling:

Some approaches use dynamic modeling techniques to account for changes in living expenses over time, such as inflation rates, fluctuations in commodity prices, and shifts in consumption patterns. These models aim to provide more accurate and up-to-date estimates of living wages.

It's important to note that estimating living wages is a complex process that requires consideration of multiple factors, including regional variations, inflation rates, family composition, and prevailing wage levels.

ILO FOR TECHNICAL ASSISTANCE

Technical and Capacity Building assistances that can be sought from International Labour Organization (ILO) in creating framework for estimating and operationalizing the living wages system, may include the following, thought not limited

Research and Data Analysis:

Providing training workshops and seminars for policymakers, labor organizations, and employers' associations on methodologies for estimating living wages.

Offering technical expertise to enhance the capacity of relevant stakeholders in data collection, analysis, and interpretation.

Conducting research on living wage standards, methodologies, and best practices globally.

Analyzing national data to assess wage levels, cost of living, and socio-economic factors affecting the determination of living wages in India.

Policy Advice and Recommendations:

Offering policy advice based on international best practices and standards.

Providing recommendations on legal frameworks, wage-setting mechanisms, and implementation strategies tailored to India's socio-economic context.

Dialogue and Consultation:

Facilitating dialogue among key stakeholders, including government representatives, employers, workers' organizations, and civil society groups.

Organizing multi-stakeholder consultations to reach consensus on the definition and operationalization of living wages in India.

Monitoring and Evaluation:

Assisting in the development of monitoring and evaluation mechanisms to assess the effectiveness of the living wages system. Establishing indicators to track wage levels, compliance with legal standards, and the impact of living wages on workers' well-being and poverty reduction.

Legal and Institutional Support:

Providing guidance on legislative reforms and institutional arrangements necessary for implementing a living wages system.

Assisting in the establishment of wage boards or other regulatory bodies responsible for setting and enforcing living wage standards.

Capacity Development for Social Partners:

Building the capacity of employers' associations and trade unions to engage in collective bargaining processes related to living wages. Supporting the development of social dialogue mechanisms to negotiate living wage agreements at the sectoral or enterprise level.

International Conventions and Standards:

Promoting adherence to relevant ILO conventions and recommendations on wages, including those related to minimum wage fixing and decent work.

By employing these methods, the ILO can play a significant role in supporting India's efforts to establish a robust framework for estimating and operationalizing the living wages system, thereby promoting decent work and social justice.

POSSIBLE OUTCOMES AND IMPACTS

The transition from a Minimum Wage System to a Living Wage System, aka One Nation - One Wage', holds the potential to bring about significant outcomes and impacts across various dimensions of the labor market, economy, and society.

Reduction in Income Inequality: By ensuring that all workers receive wages that cover their basic needs, living wage standards can contribute to reducing income inequality. Closing the gap between the lowest and highest earners fosters a more equitable distribution of wealth and opportunities.

Improved Living Standards: Living wage standards enable workers to afford a decent standard of living, encompassing essentials such as food, housing, healthcare, education, and transportation. This leads to improved living conditions and overall well-being for workers and their families.

Enhanced Consumer Spending: When workers receive higher wages, they have more purchasing power, leading to increased consumer spending. This boost in demand can stimulate economic growth, drive business expansion, and create employment opportunities across sectors.

Greater Economic Stability: By providing workers with stable and sufficient incomes, living wage standards contribute to economic stability. Reduced income volatility among workers leads to more predictable consumer behavior, investment patterns, and macroeconomic indicators.

Enhanced Workforce Productivity: Adequate wages incentivize workers to perform better and invest in skill development, leading to enhanced productivity levels. Higher productivity contributes to the competitiveness of businesses and the overall growth of the economy.

Improved Social Cohesion: Fair and equitable wages promote social cohesion by reducing social tensions and grievances related to income disparities. Living wage standards foster a sense of inclusion, dignity, and respect among workers, leading to a more harmonious society.

Reduction in Poverty and Social Exclusion: Living wage standards play a crucial role in poverty reduction by lifting workers and their families out of poverty. By ensuring that wages cover basic needs, living wage policies address one of the root causes of social exclusion and vulnerability.

Empowerment of Vulnerable Groups: Living wage standards particularly benefit vulnerable groups such as women, minorities, and marginalized communities who are disproportionately affected by low wages. By ensuring fair compensation, living wage policies empower these groups and promote social justice.

Enhanced Corporate Reputation: Employers who adopt living wage standards demonstrate their commitment to ethical labor practices and social responsibility. This enhances their reputation among consumers, investors, and employees, leading to long-term sustainability and competitiveness.

Promotion of Sustainable Development Goals (SDGs): Implementation of living wage standards aligns with various Sustainable Development Goals (SDGs), including those related to poverty eradication, decent work and economic growth, reduced inequalities, and sustainable cities and communities.

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



CHALLENGES IN IMPLEMENTING

Despite its longstanding association with the ILO and its commitment to promoting social justice and inclusive development, India has faced challenges in implementing a One Nation One Wage or Living Wages System. Several factors contribute to this situation:

- **Data availability:** Accurate data on living expenses and regional cost variations are essential for setting appropriate wage standards but may be lacking or outdated in certain regions.
- **Regional Disparities:** India's vast geographic and socio-economic diversity poses challenges in standardizing wage rates across the country. Variations in living costs, economic development, and industrialization levels between states and regions make it difficult to establish uniform wage standards.
- **Informal Sector Dominance:** The dominance of the informal sector in India's economy presents hurdles in implementing formal wage regulations. A significant portion of the workforce, particularly in rural areas and small-scale industries, operates outside the purview of labor laws and regulations, making enforcement challenging.
- **Compliance:** Ensuring compliance with wage regulations, particularly in the informal sector, remains a challenge due to limited enforcement mechanisms and awareness.
- **Complexity in Policy Formulation:** Formulating comprehensive policies for implementing a Living Wage System requires careful consideration of various socio-economic factors, including inflation, poverty levels, and household expenditures. Balancing the interests of different stakeholders, including employers, workers, and government agencies, adds complexity to the policy-making process.
- **Enforcement and Compliance Issues:** Ensuring compliance with wage regulations and monitoring implementation effectiveness pose significant challenges. Limited resources, capacity constraints, and administrative inefficiencies hinder the effective enforcement of labor laws, including those related to minimum and living wages.
- **Cost implications:** Some employers may perceive increased wage costs as a burden, potentially leading to resistance or reluctance to adopt living wage.
- **Political will:** Implementation may require political consensus and commitment at both central and state levels, which can be challenging to achieve amidst competing priorities.



THE WAY FORWARD

To facilitate a smooth transition to a Living Wage System, a comprehensive strategy encompassing the following elements is essential:

- 01 Policy Alignment**
Ensure alignment of national and state-level policies to establish uniform wage standards across the country.
- 02 Stakeholder Engagement**
Foster dialogue and collaboration among government agencies, employers, trade unions, civil society organizations, and other stakeholders to garner support and address concerns.
- 03 Research and Data**
Conduct robust research to determine region-specific living wage benchmarks, taking into account local cost variations and household expenditure patterns.
- 04 Capacity Building**
Invest in strengthening enforcement mechanisms, enhancing monitoring and evaluation systems, and raising awareness among employers and workers about their rights and responsibilities.
- 05 Legislative Reforms**
Review and amend existing labor laws to incorporate provisions for living wages and strengthen mechanisms for grievance redressal and dispute resolution.

IMPLEMENTING ORGANISATIONS

The implementation of a Living Wage System involves coordination and collaboration between various central and state government departments, each with specific roles and responsibilities in ensuring compliance with wage regulations and promoting fair labor practices.

Central Government Departments:

The Ministry of Labour and Employment is the primary central government department responsible for formulating and implementing labor-related policies, including wage regulations. It plays a crucial role in coordinating efforts to establish living wage standards and ensuring compliance with relevant laws and provisions.

The Labour Bureau, under the Ministry of Labour and Employment, conducts research, collects data, and monitors labor market trends, including wage rates and employment conditions. It provides valuable insights and analysis to inform policy decisions related to wage regulations and labor standards.

The Central Board of Trustees oversees the Employees' Provident Fund Organization (EPFO), which manages the Employees' Provident Fund (EPF) and other social security schemes. Ensuring adequate contributions and benefits under the EPF scheme is integral to promoting financial security for workers.

Directorate General of Labour Welfare within the Ministry of Labour and Employment is responsible for promoting the welfare and well-being of workers, including ensuring compliance with labor laws related to wages, working conditions, and social security.

Effective coordination and cooperation between central and state government departments are essential for the successful implementation of a Living Wage System, ensuring that workers receive fair and just compensation for their labor and promoting social justice and inclusive growth.

State Government Departments:

Each state in India has a Department of Labour and Employment responsible for implementing labor-related policies and enforcing wage regulations within its jurisdiction. These departments play a critical role in notifying minimum wage rates, conducting inspections, and resolving disputes related to wages.

State governments often establish **Minimum Wage Boards or Advisory Committees** tasked with recommending minimum wage rates for different categories of workers based on factors such as skill level, nature of work, and cost of living. These boards provide valuable inputs for setting living wage standards at the state level.

The Labour Commissionerate oversees the enforcement of labor laws, including wage regulations, within the state. It conducts inspections, mediates disputes, and takes enforcement actions against employers violating wage standards or engaging in unfair labor practices.

State Employment Guarantee Council implementing employment guarantee schemes such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), is responsible for ensuring timely payment of wages to workers participating in these programs.

While not specifically dedicated to labor matters, the Finance Department of each state plays a crucial role in budgetary allocations for workforce wages, social security contributions, and other related expenditures.

CONCLUSION

Transition from a Minimum Wage System to a Living Wage System, encapsulated under the vision of 'One Nation - One Wage', represents a paradigm shift in India's approach to labor regulation, emphasizing the intrinsic value of labor and the right to a decent standard of living.

The transition to a Living Wage System in India holds the promise of fostering a more equitable, inclusive, and sustainable future for all. By ensuring that workers receive wages commensurate with their basic needs and promoting fair labor practices, India can realize its vision of a society where every individual can live with dignity, security, and opportunity.

01

Achieving this vision requires concerted efforts from all stakeholders, including policymakers, employers, workers, civil society organizations, and the broader community. Through collective action and commitment, India can pave the way towards a brighter and more prosperous future for its workforce and society as a whole.

02

Collaboration with international partners, including the ILO, can provide valuable insights and support in this endeavor.

03

While challenges abound, the potential benefits in terms of poverty reduction, social justice, and economic prosperity make this transition not just desirable but imperative. By adopting a holistic and inclusive approach, India can chart a path towards a more equitable and dignified future for its workforce.

ONOW INDIA, 2025

The slogan "One Nation, One Tax, One Market" associated with the Goods and Services Tax (GST), replaced many indirect taxes levied by the state and central governments. The GST eliminated the cascading effect of taxes and brought uniformity to the tax structure across India.

The Code on Wages, 2019 ("Code") codifies and amends the extant laws related to wages, bonus and remuneration encased to labour workforce in organised and unorganised sector of employment. Like its' precursor ONOTOM, the new One Nation One Wage system aims to simplify the implementation, enforcement and harmonize the labour law regime in India.

A review.

I thank you for your continued support in my efforts to contribute to India's Growth.

SATYAJIT ROY

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