CONCEPT OF WAGES

The term minimum wages has not been defined under the provision of the Minimum Wages Act, 1948 presumably because it would not be possible to lay down a uniform minimum wage for all industries throughout the country on account of different and varying conditions prevailing from industry to industry and from one party country to another. The legislature also thought it inexpedient to apply the Act to all industries at a time. In order to understand the concept of minimum wage, it would be desirable to know the meaning as such. Wage is remuneration to labour for the work done or the service rendered by it to the employer. Of all the problems that face the worker that of wage is the most vital and important to him.

The Fair Wages Committee formulated the concept of living wages, fair wages and minimum wages. The Fair Wages Committee Report published by the Govt, of India in 1949 has been broadly approved by the Supreme Court in Express News Paper (p) Ltd v/s Union of India and standard Vacuum Refining Co. of India v/s Its Workmen living wage i.e. at the apex a political aim and in view of the level of national income a distant goal to be achieved in the course of years, at bottom is the minimum wages which must provide not merely for the bare sustenance e of life but for the preservation of efficiency of worker. For this purpose, minimum wage must also provide for some measure of education, medical requirements and amenities. On the basis of decided cases the concept of minimum wages may be simplified. As a matter of fact, there are three concepts in this regard, i.e. living wage, fair wage and minimum wage. It would be desirable to discuss these concepts in some details in order to bring out the clear meaning of the concept of minimum wage.

(A) Living wages:

The term living wage has not been defined under the provision of the Minimum Wages Act. However, "an instance of statutory definition of living wage is provided in South Australian Act 1912 which states the living wage" means a sum sufficient for the normal and reasonable needs of the average employee living in a locality where the worker under consideration is done or is to be done". In the famous Harvester case, The Commonwealth Arbitration Court has visualized a living wage as a sum which is adequate to satisfy the normal needs of the average employee regarded as human being in a civilized community. The living wage, according to the Committee on Fair Wage represented the higher level of wage and, naturally, it would include all
amenities which a citizen living in modern civilized society is entitled to when the economy of the country is sufficiently advanced and the employer is able to meet the expending aspirations of his workers. As the traditional doctrine interprets it, living wages as is "a will" the wish which floats a little further ahead an arm's length out of reach. It pursuit belongs to the same category as "sparing the circle”.

In Hindustan Time Ltd. V/S Their workman K.C.Das Gupta J. wistfully observed: "While the industrial adjudication will be happy to fix a wage structure which would give the workmen generally a living wage, economic consideration make that only a dream for future, that t is why the industrial tribunals in this country generally confine their horizon to the target of fixing a fair wage”.

In a latter case viz, All India Reserve Bank Employee Association V/S Reserve Bank of India, In the same strain, HidayatuUah J. remarked.

"Our political aim is living wage" though in actual practice living wage has been an ideal which has eluded our efforts like an ever receding horizon and will so remain for some time to come. Our general wage structure has at best reached the lower levels of fair wage though some employers are paying higher wage then the general average”.

Chief Justice Subha Rao, In Hindustan Antibiotic Ltd. V/S Their Workman, has however struck an optimistic rote their prosperity in the country would help to improve the conditions of labour and "the standard of life of the labour can be progressively raised from the state of minimum wage. Passing through need found wage fair to living wage”.

Directive Principles enshrined in the constitution make it the duty of the state to strive and secure living wage for the working class. This however cannot be achieved at one stroke for, the interests of the industry and its survival is an important as the betterment of the standard of living of the working class. All the same unless there is a continuous and progressive trend towards securing better living conditions for labour which would, necessarily in its turn cell for a determination of progressive higher minimum wage. It is only likely that the goal may never be reached.

It has been again remarked by the Supreme Court in Workmen Vs Reptakes Brett and Co. Ltd. that a living wage has been promised to the workers under the constitution. A 'socialists'
framework to enable working people a decent standard of life, has further been promised by the 42” amendment. The workers are hopefully looking forward to achieve the said ideal. The promises are piling up but the day of fulfillment is nowhere in sight. Industrial wage looked as whole has not yet raised higher than the leave the minimum wage.

In short, the living wage is a political ideal to be achieved and it means and includes salary, pay or remuneration for the work done, which is quite essential for providing necessaries of life, such as food cloth and shelter including maintenance of health, education, frugal comforts and certain means of recreation which are quite essential for the person to lead his life in society as human being. The concept of living wage may vary from country to country, place to place because it depends upon the price level of necessaries of life and it is determined by the socioeconomic conditions of a particular country. Living wage, are without which working people cannot live and perform their duties as a citizen. It may be recalled that as regards living wage the committee observed that this concept has influenced the fixation of wages in all economically advanced countries and was very old and well established one.

(B) Fair Wage:

Fair wage is a mean between the living wage & the minimum wage. Express Newspaper Ltd. V/S Union of India, Das Gupta J. defined 'fair wage' "which may roughly be said to approximate to the need based minimum, in the sense of a wage which is adequate to cover the normal needs of the average employee regarded as a human being in a civilized society.

Hindustan Times Ltd. V/S their workman in the words of Hidayatullah. J 'Fair wage' lies between the minimum wage which must be paid in any event and the living wage which is the goal.

In Express Newspaper (P) Ltd. V/S Union of India, Bhagwati. J, described fair wage as a mean between the living wage and minimum wage. Marshall would consider the rate of wage prevailing in an occupation as 'fair' if it is about on level with the average payment for tasks in other trades which are of equal difficulties and disagreeableness which require equally rare natural abilities and an equally expensive training.

In All India Reserve Bank of Employees 'Association V/S R.B.I. Ltd. The court said that the Fair wage is thus related to fair workload and the earning capacity. It is a step lower than the living wage.
The concept of fair wage therefore, involves a rate sufficiently high to enable the worker to provide a standard family with food, shelter, clothing, medical care and education of children appropriate to his status in life but not at a rate exceeding the wage coming capacity of the _class of establishment concerned.

A fair wage is thus related to the earning capacity and workload. It must however is realized that fair wage is only living wage by, which is meant a wage which, is sufficient to provide not only, the essentials above mentioned but a fair measure of frugal comfort wish an ability to provide for old age and evil days. Thus while the lower limit of fair wage must ability be minimum wage, the upper limit is equally set by what may broadly be called the capacity of industry to pay. This will not depend not only of the economic position of the industry but also on its future prospects. Between these two limits, the actual wage will depend on a consideration of certain factor viz:

i) Productivity of labour

ii) The prevailing rate of wage

iii) The level of national income and its distribution and

iv) The place of industry in the economy of the country

In actual calculation of the fair wage, the Committee on Fair Wage observed that it was not possible to assign any definite weight to these factors. The commission on Fair Wage also recognized that the concepts of Fair Wage could not be viewed on these factors. The fair Wage would be decided from time to time depending on the economics and social development in the country.

(C) **Minimum wages:**

The term minimum wage has been understood in two different senses, the first being an industrial minimum wage and second one a statutory minimum wage. An industrial minimum wage is sustenance wage which the employer of any industrial labour must pay in order to be allowed to continue an industry. On the other hand a statutory minimum wage is a minimum wage which must provide not merely for the bare sustenance of life but for the preservation of
the efficiency of the worker. For this purpose the minimum wage must also provide for some measure of education medical requirements and amenities.

There is also a distinction between above subsistence or minimum wage and a statutory minimum wage. The former is a wage which would sufficient to cover the bare physical need of a worker and his family, that is a rate which has got to be paid to the worker irrespective of "the capacity of the industry to pay. If an industry is unable to pay to its workmen at least a bare minimum wage, it has no right to exist. The statutory minimum wage, however, is the minimum which is prescribed by the statute and it may be higher than the bare substance or minimum wage, providing for some measure of education, medical requirement and amenities above F.W. committee's report.

The passing of the Minimum Wage Act, 1948 is a landmark in the history of labour legislation in the country which, recognizes that the wages cannot be left to be determined entirely by market forces. The whole philosophy underlying the enactment of Minimum Wage Act is to prevent exploitation of labour through the payment of unduly low wages. The statutory minimum is the minimum which is prescribed by the relevant provision of the Minimum Wage Act 1948. The main object of the Act is to prevent exploitation of 'sweated' labour as well as unorganized labour. It is the duty of the state that at least Minimum Wages are paid to the employees irrespective of the capacity of the industry or the unit to pay the same.

In Kanta Devi and others V/S State of Haryana and others and Electric Construction and Employment Co. Ltd Vs State of Haryana and others the S.C. held that even if an industry creates a different category of workers outside the recognized categories of workers in respect of whom minimum wages are fixed under the M.W. Act, such as the category of learners created in the present cases, it will not be permitted to pay less than the minimum for the lowest level employee in that industry namely in unskilled workman. The basic idea is to avoid exploitation by the management by creating different category outside the recognized categories of workers.

As a matter of fact, minimum wage is fixed to provide necessaries of life which include food, clothes, shelter, education and medical care. The concept of 'necessaries' is depend upon the standard of living of persons concerned in a particular area or region. It is therefore left to the government to prescribe minimum wages keeping in view various factors as given in Sec. 3,4,5 of the Act, and authorize the appropriate government to fix the minimum rate of wages. In other
words if the wages fixed by contract are found to below, authority is conferred on the appropriate government to increase them so as to bring them to the level of what the Act provide with regard to the M.W. in a scheduled employment in the particular area.