

Brainstorming Session on National Minimum Wage

19th February 2019

Taj Apartment, New Delhi



(Photo: Swami Agnivesh with Shri Kausik Basu, Mudit Agrawal, Mehmood Pracha and Others)

A brain storming session was organized by Swami Agnivesh, Chairperson, Bonded Labour Liberation Front, on 19th February 2019, at Taj Apartment, New Delhi, to explore the possibility of ensuring Minimum Wage for unorganized sector labourers'. Besides Swami Agnivesh, the meeting was attended by Mr. Kaushik Basu, Eminent Economist & Former Economic Advisor, Govt. of India; Mr. Mudit Agrawal, AICC Member; Mr. Mehmood Pracha, Eminent Lawyer, Supreme Court of India; Ms. Sobha Rajan, Professor, Kerala University; Mr. Vikash Ranjan, Independent Consultant; Ms. Avani Bansal, Advocate, Supreme Court of India; Ms. Nandita, Social Activist and Ms. Pravita, Social Activist. Notable absentees were Prof. Upendra Baxi, Eminent Jurist and Former Vice Chancellor, Delhi University (because of medical checkup); Prof. Jayati Ghosh of JNU, (due to death in the household); and Shri Harsh Mander, Eminent Social Activist and author of Unheard Voices, as he got stuck up in the Supreme Court.

Initiating the discussion, Swami Agnivesh pressed upon the fact that ensuring Minimum Wage is a fundamental right issue under Article 23 of the constitution, which prohibits all forms of forced labour. Giving the reference of the landmark Supreme Court judgment in 'Bandhua Mukti Morcha vs. Union of India and others' case in 1983, he argued that non-payment of minimum wage is tantamount to Bonded Labour system, as the court had established for the first time.

The government of India and all national trade unions accept the view that there has to be a national minimum wage. However, the question remains of value; at what value it should be quantified. Moreover, even after quantifying the National Minimum wage at certain value, the challenge would be to ensure its actual implementation at the ground level.

The Expert Committee on determining the methodology for fixing the National Minimum Wage, Chaired by Dr. Anoop Sathpathy of V.V. Giri National Labour Institute, in a report to the Government of India has suggested that National Minimum Wage should be fixed at ₹375 per day, equivalent to ₹9,750 per month, irrespective of sectors, skills, occupations and rural-urban locations. However, in another milestone judgement in 1993, 'The Workmen vs. The Management of Reptakos Brett & Co. Ltd.', Hon'ble Supreme Court had laid down norms for the minimum standards of living. According to that Minimum Wage at present value should have been around ₹18,000 per month. How the Expert Committee got the value of ₹ 9,750, is hard to believe.



(Photo: Interactive session in full-swing)

Swamiji further argued that since it is being claimed that India is world's fifth largest emerging economy, we need to fix minimum wages on an hourly basis at parity with similarly placed workers in developed countries like USA, Europe, Japan etc. This is to uphold the fundamental right to life with dignity as guaranteed by the Article 21 of the Constitution; and to ensure the basic minimum earnings, to maintain a reasonable standard of living for the most needy, downtrodden and exploited sections of the society.

Mr. Mudit Agrawal urged that there should be a scientific way to fix the Minimum Wage. He asked the eminent economist to suggest the scientific way to fix the minimum wage. Mr. Mehmood Pracha, clarified that the criterion for fixing minimum wage has already been decided by the Supreme Court in the 1993 judgment. The question is of putting a value on it and implementing it.

Mr. Kausik Basu sharing his expertise said that global wage value has not increased in the last few years. Wages in the advanced countries has also been static. But, there should be a national

minimum wage in a country like India, where so many people are forced to live on less than \$1-\$2 a day, which is a pity. However, he added that National Minimum Wage should have a rational value. If it's high, there is a risk of inflation, which would make National Minimum Wage counter-productive, by limiting the positive effect of ensuring minimum wage.

Even after fixing the National Minimum Wage, question would remain of its implementation. How poor employers like farmers ensure paying Minimum Wage? Whether small urban employers would pay minimum wage, or, take the plea that they cannot afford it and pay just a part and look for government's support for the rest.

Mr. Mudit Agrawal raised the question that should there be a National Minimum Wage, or, State Governments' should have a right to fix Minimum Wage in accordance with the local realities. Because according to him a fixed National Minimum Wage can be a bit high for many States. In this regard, a suggestion came from Mr. Pracha that Central Government can fix Minimum Wage for different regions, and State governments' can fix higher but not lower than that amount.

The brainstorming session also dwelt on issues related to ensuring a Universal Basic Income or Minimum Income Guarantee Scheme. It was suggested that Universal Basic Income or Minimum Income Guarantee Scheme should be associated with the asset formation in the country, as in the case of MNREGA; otherwise it has the chance of being hugely misused.

The meeting went on quite amicably till the end. All the participants agreed to work further for the cause. Mr. Mudit Agrawal said that he can in awareness generation among labourers' in his area. For this, he can invite Swamiji and others to speak or, participate in the occasion. It was also suggested that there is a need to involve a prominent personality (Film/ Sports) with the cause. He/ She can help in mass awareness generation for the cause. But how to approach and involve that person remains a challenge. Nonetheless, participants agreed to help in resource generation at their own levels for the cause. Some participants agreed to approach big corporate in this regard, who can finance the noble cause through their CSR activities. By associating with the cause, corporate can gain by image-building and penetrating customer base for their products.