

## Centre puts wage plan for contract workers on hold

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**HARD THING:** 30 per cent of all workers in private sector and around 32 per cent in the public sector are employed through contractors, says a study..- FILE PHOTO

*Labour Ministry opts for 'international consultation' on fixing minimum wages*

The Labour Ministry has put on hold its plan to fix minimum wages for all contract workers at Rs.10,000 per month, following objections from industry.

The ministry will now opt for "international consultation" on fixing minimum wages for contract workers before taking the proposal forward, a senior labour ministry official said.

"We have received strong objections from industries and the proposal will have a serious impact on the small industries that will have to incur huge losses," a top labour ministry official said on condition of anonymity.

### Objections

The Labour Ministry received more than 40 objections from industrial groups and companies on its draft notification dated March 30 to amend the Contract Labour (Regulation and Abolition) Central Rules, 1971 taking the minimum monthly income for contract workers to Rs.10,000. Labour Minister Bandaru Dattatreya had informed the Rajya Sabha in the Budget session that the minimum wages for workers vary between Rs.3,500 and around Rs.10,000 in different States.

However, in their response to the ministry, the trade unions had unanimously supported the move to increase the minimum wages, proposing a higher monthly wage of Rs.15,000-Rs.18,000 per month.

Aditya Birla Fashion and Retail opposed the proposal saying the amendment will "impose a heavy financial burden to the manufacturers" as this will be an "additional liability" on them apart from paying provident fund, gratuity and other contributions. The Federation of Indian Chamber of Commerce and Industries (Ficci) said the move will "reduce product competitiveness with countries such as Bangladesh, Pakistan and Vietnam."

### 'State subject'

"The fixation of minimum wages is a state subject and therefore cannot be an identical wage; say of Rs.10,000 for every village or city and industrial town etc. Hence, the proposed amendment will certainly affect the competitiveness of MSMEs," said Chamber of Small Industry Associations, in its submission to the labour ministry. The Apparel Exporters and Manufacturers Association said the move will "create disharmony" and "result in loss of export of Rs.11,000 crore in a year."

Both the Centre of Indian Trade Unions and the Indian National Trade Union Congress had requested the ministry to raise the minimum monthly wage to Rs.15,000.

