

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 2346
TO BE ANSWERED ON 20.03.2025**

STAGNANCY IN WAGE GROWTH

2346. SHRI MOHAMMED NADIMUL HAQUE:

Will the Minister of Labour and Employment be pleased to state:

- (a) whether Government is aware of stagnating salary growth among white-collar employees, as recent studies indicate salary hikes as low as 0.8 per cent in key sectors like engineering, manufacturing and infrastructure between 2019-2023;**
- (b) whether Government has assessed the decline in real wages for both rural and urban workers, given that agricultural labourers' wages have dropped by -1.3 per cent annually and non-farm rural wages by -1.4 per cent annually since 2020; and**
- (c) whether any steps are being taken to address wage stagnation among regular wage workers, whose earnings have seen a negative growth rate of -1 per cent, as per ILO data?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SUSHRI SHOBHA KARANDLAJE)**

(a) to (c): Salary hikes in different sectors, including engineering, manufacturing, and infrastructure, are influenced by a variety of factors, including the overall economic conditions, sectoral performance, and global economic trends. The Government continuously works towards creating an environment conducive for enhancing productivity and growth in all sectors.

The Minimum Wages Act, 1948 ensures that workers receive fair compensation and are not exploited. The Minimum Wages Act, 1948 applies to workers engaged in Scheduled Employments. The Act provides for different minimum wages across various industries and on the basis of skill levels, ensuring that wages are aligned with the nature of work and economic conditions.

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Under the provisions of the Minimum Wages Act 1948, the Central Government and the State Governments, as appropriate Government, fix, review and revise the minimum wages of the employees employed in the Scheduled employments under their respective jurisdictions. Further, in order to take care of the rising prices, the Central Government revises the Variable Dearness Allowance (V.D.A) on basic rates of minimum wages every six months, effective from 1st April and 1st October of every year on the basis of Consumer Price Index for all scheduled employments in A, B and C areas.

Recently the provisions of the Minimum Wages Act, 1948, have been rationalized and subsumed under the Code on Wages, 2019. The Code makes minimum wages universally applicable across employments. Further, the Code mandates the Central Government to fix floor wage applicable across the Central and the State sphere and the minimum rates of wages fixed by the appropriate Government shall not be less than the floor wage.
