



Chapter 22

Wages and Prices

More than 90 per cent of the population in Himachal Pradesh lives in villages and is engaged mainly in agriculture, which is highly unorganised. The question of wages, particularly minimum wages of unskilled labour, thus assumes great importance. Unorganised, mostly illiterate, without any bargaining power and lacking awareness, this huge population is highly vulnerable to exploitation.

With fundamental changes in the labour market in the name of globalisation, wages cannot be left entirely to the interplay of market forces. Government intervention is necessary to provide social security at least to the least privileged sections of society.

Several measures have already been taken to ensure and improve the payment of wages, but these need to be further strengthened. The history of such attempts goes back to the nineteenth century, when the Government of India passed the Employees and Workers (Dispute) Act in 1860. The first direct step in this direction was the Payment of Wages Act in 1936, followed by the Minimum Wages Act in 1948. The Act requires the appropriate government (central or state) to fix minimum wages in scheduled employments and to carry out periodic review/revision of the rates at intervals not exceeding five years.

Of the 275 scheduled employments, for which wages are fixed in different work spheres, 24 are common to Himachal Pradesh.

The minimum wage varies from region to region and employment to employment. In agriculture, it varies from the lowest of Rs. 30 per day in Kerala to Rs. 102.60 per day in Delhi (2001).

The National Minimum Wage Policy introduced a floor-level minimum wage of Rs. 35 per day in 1996. This means that no state government can fix even the

minimum wage (in any scheduled employment) below the national floor-level, which was increased to Rs. 40 per day in August 1998 and Rs. 45 per day in November 1999.

Since minimum wage is the subsistence wage (Study Group on Wages, 1991), increased cost of living has to be fully neutralised to maintain real wages, through the mechanism of the variable daily allowances (VDA). How far the revised minimum wage in Himachal Pradesh succeeds in keeping the real wages intact is examined in the context of agriculture in the following exercise. The minimum wage in agriculture is subject to revision on the basis of consumer price indices for agricultural labour. A similar exercise has been carried out for the period 1995-96 to 2000-2001 and the results are shown in Table 22.1.

Consumer price index numbers for agricultural labourers before 1995-96 included Delhi, Haryana, Punjab and Himachal Pradesh. CPIAL from 1995-96 has been used to deflate increase in the cost of living and provide for monetary compensation for increased prices while per capita income (PCY) has been used to account general increase in living standards generated by rising income levels.

Assuming that the actual minimum wage in 1995-96 was as desired, monetary compensation for the increase in prices should have increased the minimum wage by Rs. 8.75 and further to Rs. 4.49 in 1999-00, in order to account for growth rate of economy at large. Going by the exercise carried out for desired increase in minimum wage in Table 22.1, the actual minimum wage raised to Rs. 51 per day in 2000-01 against the notional desired wage of Rs. 40.24 per day was a commendable social welfare measure on the part of the government.

TABLE 22.1
Gap in the Actual and the Desired Level of Minimum Wages for Agriculture Labourers

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
CPIAL (Base 1986-87=100)	220	240	256	283	294	292
Actual minimum wage (Rs./day)	26	26	26	26	26	51
Increase in CPIAL (%)	-	9.09	6.67	10.55	3.89	-0.68
Minimum wage should increase by Rs.	-	2.36	1.89	3.19	1.30	-0.24
Minimum wage should reach at Rs./day	-	28.36	30.25	33.45	34.75	34.51
Per capita income (PCY) in Rs.	8,966	9,140	9,625	10,131	10,514	10,942
Increase in PCY (%)	-	1.94	5.31	5.26	3.78	4.07
Minimum wage should increase by Rs.	-	0.50	1.41	1.47	1.11	1.24
Minimum wage should reach at Rs./day	-	26.50	27.91	29.38	30.49	31.73
Desired increment in minimum wage (Rs.)	-	2.87	3.30	4.66	2.41	1.00
Desired minimum wage (Rs./day)	26	28.87	32.17	36.82	39.23	40.24

Source: Labour Bureau, Ministry of Labour, GoI, *Minimum Wages in India, 2002*.

Labour Bureau, Ministry of Labour, GoI, *Annual Report, Consumer Price Index for Agricultural and Rural Labourers*, different issues.

Government of India, *Various Issues of Statistical Abstracts of Punjab and Haryana*.

The minimum wage for unskilled workers in different states of the northern region (as on October 1, 2001) varies from the highest of Rs. 99.70 per day in Delhi, to the lowest of Rs. 45 per day in Jammu and Kashmir. All northern states or UTs, except Jammu and Kashmir, have a rate of minimum wage higher than that of in Himachal Pradesh.

How far the rates of minimum wage fixed by the government is actually implemented, remains an unanswered question. Government figures, however, are alarming. Data on inspections made, irregularities detected, and prosecutions in Himachal Pradesh are reproduced from the Ministry of Labour's document in Table 22.2.

TABLE 22.2
Irregularities in the Enforcement of Minimum Wages in Himachal Pradesh

Details	1996-97	1997-98	1998-99	1999-00	2000-01
I. Inspections made (No.)	1,273	871	2,236	1,293	1,562
II. Irregularities detected (No.)	480	574	959	692	1,254
III. Irregularities rectified	380	312	435	526	870
IV. Persons prosecuted (No.)	43	26	165	165	231
(III / II)*100	79.17	54.36	45.36	76.01	69.38
(IV / II)*100	8.96	4.53	17.21	23.84	18.42

Source: Ministry of Labour, *Minimum Wages in India, 2002*

It reveals that while the number of irregularities detected has increased (2.6 times over five years), the

percentage of irregularities rectified has actually declined. Only 8.96 per cent persons were prosecuted against 480 irregularities in 1996-97, and only 18.42 per cent were prosecuted against 1,254 irregularities in 2000-01. Although the government makes efforts to check irregularities in the enforcement of minimum wages, gaps still remain and are increasing. These efforts exclude a large number of workers who are beyond the purview of the Act, because of the condition that for inclusion in the scheduled list of employments, there should be at least 1,000 workers engaged in that activity in the state.

Actual Wage Rate in Himachal Pradesh

Since 90.21 per cent of the population in Himachal Pradesh lives in rural areas, and works mainly in the unorganised sector, our main focus is on the actual wage rates of rural workers in agricultural and non-agricultural sectors.

The average daily wage in a particular year is the simple mean of the month-wise average of daily wages in the particular occupations. Month-wise average daily wage figures in respect of 18 occupations were obtained from Labour Bureau Publication *Wage Rates in Rural India*, different issues. One of its limitations is that data for 1996-97 and 1997-98 have not been published. Thus, the analysis is restricted to four agricultural years (1995-96, 1998-99, 1999-00, and 2000-01).

Data about some occupational categories was not available either, because the activity connected with the

occupation was not undertaken in the state, or the activity was out of season, or that a particular category of workers (men/women/children) were not engaged in that operation. Out of 18 occupations, the average daily wage of men in rural Himachal Pradesh (in Rs. per day) at all four points of time were available for eight (four agricultural and four non-agricultural) occupations. These are divided into three broad categories as listed in Table 22.3. Children were not reported in any of the occupations while women were reported in limited agricultural operations, namely sowing, weeding, and harvesting, and as unskilled labourers. Table 22.3 shows a comparative analysis of the wages of men in different occupations.

TABLE 22.3

Average Daily Wage Rates (for Men) in Different Occupations (Rupees), Himachal Pradesh

	1995-96	1998-99	1999-00	2000-01	% Increase (1996-01)
	(i)	(ii)	(iii)	(iv)	(v)
I. Agricultural Operations					
(1) Ploughing	60.95	88.99	90.17	98.67	61.88
(2) Sowing	48.68	78.21	88.77	103.41	112.42
(3) Weeding	45.14	76.15	78.74	98.33	117.84
(4) Harvesting	54.35	77.24	80.57	90.80	67.05
Average (1-4)	52.28	80.15	84.55	97.80	87.07
II. Artisans					
(1) Carpenter	97.98	133.93	143.95	159.19	62.47
(2) Blacksmith	92.17	115.41	128.27	141.79	53.85
(3) Mason	98.87	135.40	144.07	158.13	59.93
Average (1-3)	96.34	128.25	138.76	153.04	58.85
III. Unskilled Labourer	60.15	72.83	79.44	89.83	49.34
II/I	1.84	1.60	1.64	1.56	-
II/III	1.60	1.76	1.75	1.70	-
III/I	1.15	0.91	0.94	0.92	-

Source: Labour Bureau, Chandigarh/Shimla, Ministry of Labour, GoI, Wage Rates in Rural India, different issues.

An analysis of average daily wages over five years (1996-01) reveals a huge gap between the actual wages of artisans, agricultural workers and unskilled labourers. The artisans' work has been far more remunerative throughout this period. Occupations such as mason and carpenter commanded all-time high wages. During 1995-96, unskilled labourers were paid relatively better than agricultural workers, but over the years it could not keep pace with the increase in wages in other sectors. However, the reported average daily wage paid to unskilled labourers is far above the minimum fixed for them.

The wage-rate ratio of artisans to that of agricultural workers, and the ratio of the wage rate of unskilled labourers to agricultural workers declined over the period while that of artisans to unskilled labourers increased. The gap between the wages of artisans and agricultural labour has narrowed down while the gap between the wages of artisans and unskilled labourers has increased.

Variations in the average daily wage (for men), as shown in Table 22.3, reveal some interesting feature about fluctuations in wage rates. Although the artisan has been better paid throughout 1996-01, wages in agricultural operations, particularly weeding and sowing, increased at a pace faster than that of the wages of artisans or unskilled labourers.

In this situation, the gap between the wages for artisans and agricultural workers seems to have narrowed down. The percentage increase in wages was the lowest in the case of unskilled labourers and the highest for weeding. However, the increase in the wage of unskilled labourers was more than that of the artisans during 1999-00 and 2000-01.

The average wage rate in agricultural operations in 2000-01 was 1.9 times more than in 1995-96. The corresponding average wage rate for artisans and unskilled labourers in 2000-01 was 1.6 and 1.5 times that of 1995-96.

TABLE 22.4

Average Daily Wage Rate in Different Occupations Across Few Northern States (Rs.)

	Punjab	Jammu and Kashmir	Himachal Pradesh	All-India
Average of agricultural operations				
1995-96	58.94	57.00	52.28	41.68
1998-99	68.19	76.96	80.15	57.43
1999-00	69.93	80.95	84.56	61.06
2000-01	71.07	75.60	97.80	57.09
% Increase (1996-01)	20.72	64.41	95.40	36.59
Average of artisans				
1995-96	119.65	100.74	96.34	68.37
1998-99	141.15	134.72	128.25	90.92
1999-00	147.78	137.10	138.76	98.02
2000-01	154.87	142.93	153.04	93.74
% Increase (1996-01)	29.45	40.70	58.75	36.76
Unskilled labourer				
1995-96	60.60	50.37	60.15	37.95
1998-99	73.06	83.23	72.83	53.12
1999-00	76.18	83.64	79.44	56.85
2000-01	79.63	89.72	89.83	53.16
% Increase (1996-01)	31.40	78.14	49.34	40.07

Source: Labour Bureau, Chandigarh/Shimla, Ministry of Labour, GoI Wage Rates in Rural India, different issues.

A comparison of the nominal wage rate in selected northern states and the all-India level, in Table 22.4, reveals that wages in all the three states are far above the all-India rate. Himachal Pradesh has witnessed the maximum increase in the daily wages of agricultural labourers and artisans. The difference in the artisan's wage in Himachal Pradesh and in Punjab that has the maximum wage rate in 1995-96, has narrowed down by 2001 and is almost on a par. Although the wages of unskilled labourers in Jammu and Kashmir have increased sharply and have come close to, but lower than those in Himachal Pradesh. Thus, agricultural labourers, along with other labourers, are in a comfortable position in Himachal Pradesh as compared to those in Punjab and Jammu and Kashmir.

The increase in wages of all occupations in Himachal Pradesh was more pronounced during 2000-01, when there was a fall at the all-India level.

Table 22.5 reveals a different picture of the average daily real wage in some of the northern states. The wage rate in real terms has been obtained by using CPIAL (1986-87=100) as deflator for agricultural operations and CPIRL (1986-87=100) as deflator for the other two occupations.

	Punjab	Jammu and Kashmir	Himachal Pradesh	All-India
Agricultural Operations				
1995-96	24.16	25.22	23.76	17.37
1998-99	22.28	25.40	28.32	19.21
1999-00	22.27	25.06	28.76	19.76
2000-01	22.49	23.19	33.49	18.78
Change % (1995-96 to 2000-01)	-6.89	-8.07	40.94	8.14
Artisans				
1995-96	48.44	44.77	43.59	28.49
1998-99	42.90	45.36	45.16	30.41
1999-00	46.62	43.38	47.04	46.68
2000-01	48.40	44.81	52.05	30.64
Change % (1995-96 to 2000-01)	-0.09	0.07	19.41	7.54
Unskilled Labourer				
1995-96	24.53	22.38	27.22	15.81
1998-99	22.21	28.02	25.64	17.77
1999-00	24.03	26.47	26.93	27.07
2000-01	24.88	28.13	30.56	17.37
Change % (1995-96 to 2000-01)	1.42	25.65	12.26	9.86
CPIRL (% Change)	29.55	41.78	33.03	27.50
CPIAL (% Change)	29.51	44.25	32.73	26.67

Sources: Computed from the data by Labour Bureau, Chandigarh/Shimla, Ministry of Labour, GoI *Wage Rates in Rural India*, different issues.

Labour Bureau, Ministry of Labour, GoI, *Annual Report, Consumer Price Index Numbers for Agricultural and Rural Labourers*, different issues.

Himachal Pradesh is best-placed in terms of real increase in wages. Although the increase in the real wages of artisans and unskilled labourers in H.P. is not at the same rate as that of CPIRL, it is far above the national level and the highest among the three northern states for artisans. However, unskilled labourers are the most vulnerable of all rural workers to increased prices.

Table 22.6 shows the wages of women as compared with those of men in occupations in which women workers were reported. It reveals that men are relatively better paid in all occupations. However, the gap had marginally narrowed in 1999-00 compared to 1995-96, for all occupations, except a marginal increase in sowing. Wage difference was relatively more among unskilled labourers.

	1995-96			1999-00		
	Men (M)	Women (W)	M/W	Men (M)	Women (W)	M/W
	1	2	3	4	5	6
Sowing	48.68	44.51	1.09	88.77	79.41	1.12
Weeding	45.14	42.50	1.06	78.74	78.56	1.00
Harvesting	54.35	49.95	1.09	80.57	79.04	1.02
Unskilled Labourers	60.15	48.00	1.25	79.44	65.83	1.21

Source: Labour Bureau, Chandigarh/Shimla, Ministry of Labour, GoI, *Wage Rates in Rural India*, different issues

Prices

Wages and prices are complementary. An increase in prices must be compensated with an increase in wages. This section is an attempt to examine the movement of wages in relation to the changes in the prices of essential commodities. Before discussing the wage-price relation, it is desirable to examine changes in retail prices. Month-wise retail prices (per unit) of 15 essential commodities from 1991 to 2000 were obtained from Economic and Statistics Office (ESO) Shimla, and the annual averages were calculated from the monthly averages. Figure 22.1 represents the percentage increase in prices over nine years. The annual movement of prices and the changes in the annual average retail prices over the previous year's prices are shown in Table 22.6.

Figure 22.1 shows the maximum increase in retail prices of *urad dal* (150.3%), followed by rice *parmal*

TABLE 22.7
Percentage Change in the Average Annual Retail Prices over the Previous Year

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	CARG (1991-00)
Rice Parmal	24.56	12.74	14.89	2.95	10.07	6.33	9.66	10.01	3.51	9.3
Wheat	20.73	1.62	9.11	4.98	6.92	24.31	10.95	9.27	2.26	8.8
Wheat Flour	17.10	1.18	11.61	2.65	16.97	15.14	6.59	8.79	2.09	8.0
Urad Dal	-5.85	-3.82	38.20	57.30	0.78	-11.98	-0.10	16.21	23.47	9.6
Channa Dal	-0.39	34.69	30.62	-23.55	-1.23	33.02	11.39	-8.57	10.76	7.1
Gur	-1.02	47.56	16.45	-2.09	-4.93	9.64	24.05	-3.11	0.22	7.7
Groundnut Oil	6.54	-16.03	7.42	13.14	3.11	0.52	5.82	1.23	-9.32	0.9
Sugar	3.99	15.61	26.89	-4.84	5.82	2.89	6.27	2.32	4.12	6.0
Mustard Oil	-1.67	-8.14	9.30	10.43	0.52	-3.66	37.02	1.67	-16.32	2.1
Vanaspati	0.82	-11.43	7.47	6.50	-3.52	-3.91	22.12	-11.81	-19.54	-2.0
Tea	1.81	18.41	6.73	0.90	12.34	14.17	33.09	7.03	2.33	9.3
Onion	-25.37	58.51	2.21	1.19	-2.40	14.47	162.69	-48.30	-17.40	4.4
Potato	-8.14	10.44	2.49	35.52	12.15	-9.44	57.68	-36.87	-5.67	3.0
Cement	15.88	-1.73	-7.24	22.93	8.66	0.98	-0.57	0.64	3.33	4.0
Kerosene Oil	-5.26	-0.32	1.89	0.22	1.69	0.91	4.04	0.63	102.26	7.7

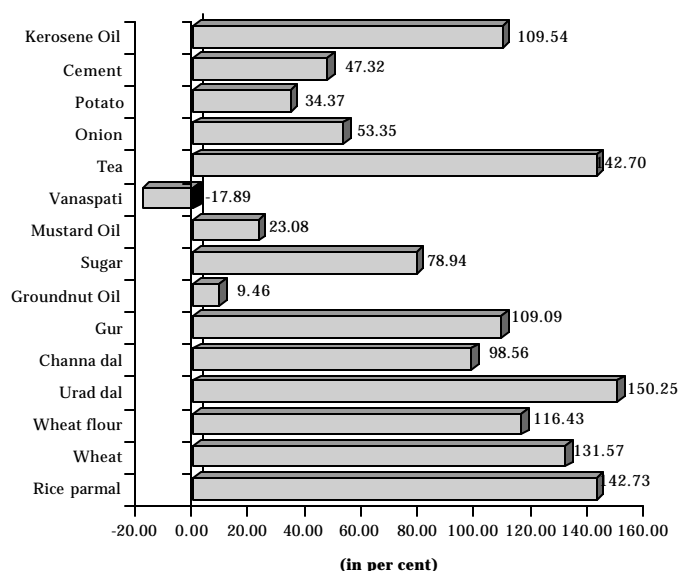
Source: Computed from the data provided by the Directorate of Economic and Statistics, Government of Himachal Pradesh.

(142.7%) and tea (142.7%). The increase in the price of groundnut oil was the least, while the only commodity that recorded a decline in price was vanaspati. The rate of increase in prices, CARG (Table 22.7) follows the same order. However, annual fluctuations in prices are more significant for examining the impact of the total increase in prices on wages.

Table 22.7 reveals that the prices of tea, wheat, wheat flour and rice have increased steadily over the years. Wheat prices recorded a major jump in 1992 and again in 1997. Although no single year recorded simultaneous increase in the prices of all commodities, but many, namely, onion, potato, mustard oil, tea, vanaspati recorded an all-time high, along with a negligible fall in the prices of cement (-0.57%) and urad dal (-0.10%) during 1997-98. Onion and potato prices suddenly increased 162.69 per cent and 57.68 per cent (maximum) during 1997-98, followed by a huge decrease in subsequent years. The price of kerosene showed minor fluctuations until 1999, but increased more than 100 per cent during 1999-2000. CARG shows that a majority of the commodities have recorded an increase of more than five per cent.

FIGURE 22.1

Percentage Change in Prices, 1991-2000



Source: Directorate of Economic and Statistics, Government of Himachal Pradesh.

A breakdown of the increase in prices in two periods of time, 1991-96 and 1996-2000, shows that the prices of most of the commodities increased more during the first half than in the second. The commodities, prices of which increased more during the second half of the nineties, include tea, onion (mainly during 1997-98), mustard oil (mainly during 1997-98), wheat, and kerosene (mainly during 1999-2000).

The basket of commodities mentioned above has been classified in four broad categories. These are cereals (including rice and wheat), pulses (including *urad dal* and *channa dal*), cooking oils (including mustard oil and *vanaspati*), and vegetables (including onion and potato).

A comparison of the increase in nominal prices (Table 22.8) with the increase in nominal wages (Table 22.3) during 1996-2000 reveals that the percentage increase in the wages of all three categories of workers has been more than the percentage increase in retail prices. Considering that a major part of the wage earnings of the labourers is spent on food, mainly cereals and pulses, a large part of the increased wages of unskilled labourers goes to the food basket, leaving little for other basic minimum needs. Hence they are the worst hit section. Increase in wages especially of unskilled labourers (49.34%) seems to be offset by the increase in the prices of cereals (39.82%) and pulses (34.69%) alone. However, the actual consumption basket includes many more commodities of daily use.

TABLE 22.8
Change in Retail Prices under Broad Categories

Categories	1991-1995	1996-2000	1991-2000
1. Cereals	(+) 56.51	(+) 39.82	(+) 138.55
2. Pulses	(+) 68.26	(+) 34.69	(+) 126.75
3. Cooking Oils	(+) 5.16	(-) 2.11	(+) 1.66
4. Vegetables	(+) 30.10	(+) 7.27	(+) 45.41

Source: Computed from the data provided by Directorate of Economic and Statistics, Government of Himachal Pradesh.

Real Wages

Real wage represents the capacity of the worker to buy, at a given wage and at a given price. Income of an individual, organisation, or country, after taking into consideration the effects of inflation on purchasing power is the real wage or real income.

TABLE 22.9
Consumer Price Index Numbers
Himachal Pradesh (Base 1986-87=100)

Year	CPIAL	CPIRL
1995-96	220	221
1996-97	240	240
1997-98	256	258
1998-99	283	284
1999-00	294	295
2000-01	292	294
2001-02	298	304

Source: Labour Bureau, Ministry of Labour, GoI, Annual Report, Consumer Price Index Numbers for Agricultural and Rural Labourers, different issues.

Consumer price index numbers for rural labourers include agricultural and non-agricultural labourers

(Table 22.9). The index numbers are provided separately for agricultural labourers but not for the non-agricultural category of rural workers. The consumer price index for agricultural labourers (CPIAL) has been used to deflate the nominal wage rate in agricultural occupations, while the nominal wage rates of artisans and unskilled labourers have been deflated by the consumer price index number for rural labourers (CPIRL).

TABLE 22.10
Average Annual Real Wage Rates
(for Men) in Himachal Pradesh (Rs./Day)

	1995-96	1998-99	1999-00	2000-01	% change 1995-96 to 2000-01
I. Agricultural operations					
(1) Ploughing	28.00	31.00	31.00	34.00	21.97
(2) Sowing	22.00	28.00	30.00	35.00	60.05
(3) Weeding	21.00	27.00	27.00	34.00	64.12
(4) Harvesting	25.00	27.00	27.00	31.00	25.87
Average (1-4)	24.00	28.00	29.00	33.00	40.94
II. Artisans					
(1) Carpenter	44.00	47.00	49.00	54.00	22.13
(2) Blacksmith	42.00	41.00	43.00	48.00	15.64
(3) Mason	45.00	48.00	49.00	54.00	20.22
Average (1-3)	44.00	45.00	47.00	52.00	19.41
III. Unskilled labourer	27.00	26.00	27.00	31.00	12.26

Source: Computed from the data by Labour Bureau, Chandigarh/Shimla, Ministry of Labour, GoI, Wage Rates in Rural India, different issues, and Labour Bureau, Ministry of Labour, GoI, Annual Report, Consumer Price Index Numbers for Agricultural and Rural Labourers, different issues.

Note: CPIAL and CPIRL have been used to deflate nominal wage rates to get real wage rates.

The nominal wage rate for all rural labour has recorded a steady increase (Table 22.3). The real wages of all, except unskilled labourers and blacksmiths, have also increased continuously (Table 22.10). Unskilled labourers and blacksmiths actually experienced a fall in their real wages in 1998-99. Although the nominal wages of artisans remained at an all-time high and their real wages stable, the increase in the real wages in agricultural activities has been the maximum. Agricultural workers experienced a major boost, a 40.94 per cent increase. In contrast, money wages in agricultural operations were not as high as those of artisans, but the increase in their real wages was the highest.

Table 22.11 shows a comparison of the increase in real wage rates corresponding to increase in CPIAL and CPIRL. Increase in CPIAL is less than the increase in the real wage rate in agricultural operations (column iv). This implies that the agricultural sector, mainly

weeding and sowing, has been more progressive in terms of increase in real wages. The same is not true of other two categories of workers. The percentage increase in their real wages is far less than the increase in CPIRL. Agricultural labour in Himachal Pradesh is in the most comfortable position. The position of all workers improved in 2000-01, corresponding to a fall in CPI value. The situation was the worst in 1998-99.

TABLE 22.11

Percentage Change in Average Annual Real Wage Rates (for men) in Himachal Pradesh in Rs./Day

	1995-96 to 1998-99	1998-99 to 1999-00	1999-00 to 2000-01	1995-96 to 2000-01
	(i)	(ii)	(iii)	(iv)
I. Agricultural operations				
(1) Ploughing	13.50	-2.47	10.18	21.97
(2) Sowing	24.90	9.26	17.29	60.05
(3) Weeding	31.14	-0.47	25.73	64.12
(4) Harvesting	10.48	0.41	13.47	25.87
Average (1-4)	19.18	1.54	16.46	40.94
II. Artisans				
(1) Carpenter	6.37	3.47	10.96	22.13
(2) Blacksmith	-2.56	7.00	10.92	15.64
(3) Mason	6.57	2.44	10.13	20.22
Average (1-3)	3.59	4.16	10.67	19.41
III. Unskilled labourer	-5.78	5.01	13.46	12.26
IV. CPIAL	28.64	3.89	-0.68	32.73
V. CPIRL	28.51	3.87	-0.34	33.03

Source: Computed from the Data by Labour Bureau, Chandigarh/Shimla, Ministry of Labour, GoI, *Wage Rates in Rural India, different issues*, and Labour Bureau, Ministry of Labour, GoI, *Annual Report, Consumer Price Index Numbers for Agricultural and Rural Labourers, different issues*.

Note: CPIAL and CPIRL have been used to deflate nominal wage rates to get real wage rates.

Although labourers in Himachal Pradesh enjoy a comfortable position in terms of real wages, as compared to Punjab, J & K, and India as a whole, unskilled labourers are the most vulnerable among the rural workers in the state. A second look at the level of minimum wages fixed for unskilled labourers and strict action against irregularities in the enforcement of these wages are required, to maintain the real increase in wages.

No sustained improvement in real wages can be brought about unless it is accompanied by a corresponding improvement in productivity (*Report of the National Commission on Labour, 2002*). Productivity does not depend only on labour and has many other dimensions to it. Thus, the issue of linking productivity with wages is a complex one and requires a separate study.

Such marked difference in real wages calls for action by the government at all levels, not only for unskilled labourers but also for artisans and agricultural labourers. In a fast changing world, the concept of wage can never be absolute, and has to be determined in relation to the changing priorities as well. Further attempts to address the problems of the workforce in the unorganised sector, in the context of fast changing priorities in the name of globalisation, will provide fresh light on the working as well as living conditions of these workers in Himachal Pradesh.

Conclusion

- The actual minimum wage raised to Rs. 51 per day in 2000-01 against the notional desired wage of Rs. 40.24 per day was a commendable social welfare measure on the part of the government.
- It is also revealed that the revision of the minimum wage has not been regular.
- The increase in real wages to workers other than agricultural labourers was also far less than the warranted.
- Among the three categories of the workers, the artisans are the better paid both in terms of nominal and real wages. But, agricultural operations, particularly weeding and sowing, have seen the highest increase in wages during 1996-01 and hence have been more progressive.
- Although labourers in Himachal Pradesh are better placed than at the all-India level and the selected neighbouring states, unskilled labourers are most vulnerable to increased prices. This could be said more in respect of unskilled women labourers.

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