

WHAT ARE THE PRINCIPLES OF WAGE FIXATION

Hon'ble Supreme Court of India has laid down the following principles for wage fixation:

1. There is a minimum wage, which in any event must be paid, irrespective of the extent of profits, the financial condition of the establishment or even the availability of workmen to work at lower wages.
2. The wages must be fair i.e. sufficiently high to provide a family with basic standards of food, shelter, clothing, medical care and education of children appropriate to the workmen.
3. A fair wage lies between "*minimum wage*" and the "*living wage*" which is the goal.
4. Wages must be paid on an "*industry wise*" and "*region wise*" basis having due regard to the financial capacity of the union.

However, in one of the case, the Bombay High Court has held that while fixing wages, a broad and overall view of the financial position of the employer must be taken into account.

References:

1. Express Newspaper Pvt. Ltd. v. Union of India : (1961) 1 LLJ 339
2. Bombay Mothers and Children Society v. General Labour Union : 1991 LLR 815

ADVOCATES & SOLICITORS