

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 407
TO BE ANSWERED ON 06.02.2025**

**MEASURES TO BRIDGE GAP BETWEEN LIVING WAGE AND NOMINAL
WAGE**

407. SMT. JEBI MATHER HISHAM:

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

- (a) whether Government has identified gaps between living wage and nominal wage for workers, if so, measures implemented to bridge this gap, particularly in light of rising living costs;**
- (b) whether any steps have been taken by Government to develop a comprehensive framework for calculating and implementing a living wage, if so, the details of the timeline and methodology;**
- (c) whether Government has a specific timeline for ensuring that all workers, including those in the unorganised sector, receive a living wage, if not, reasons therefor; and**
- (d) whether Government has compiled workforce data categorised by gender and organised/unorganised sectors across all States and Union Territories, if so, the details thereof?**

ANSWER

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

(a) to (d): Provision of minimum wages under the Minimum Wages Act, 1948 provides for cost of living allowance as a component of minimum wages. Accordingly, the Central Government revises the cost of living allowance called as Variable Dearness Allowance (V.D.A) on basic rates of minimum wages under the Minimum Wages Act, 1948, every six months effective from 1st April and 1st October every year on the basis of Consumer Price Index for Industrial workers to protect the minimum wages against inflation.

Recently the provisions of the Minimum Wages Act, 1948, have been rationalized and subsumed under the Code on Wages, 2019 and the components of minimum wages stipulated therein also provide for cost of living allowance. Further, the Code makes minimum wages universally applicable across employments and thus moves ahead from restrictive applicability of minimum wages limited to scheduled employments as provided for under the Minimum Wages Act, 1948.
