

An Economic Perspective of Labor Law in Manufacturing Sector (Liquor Industry) A Comparative Study Among the States of India

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ABSTRACT

This article aims to provide insight into the fixing of minimum wages and how the economic aspects such as the cost of living index, consumer price index, and demand and supply of products play an essential role in it. This article focuses on the manufacturing sector, narrowing it down to the liquor manufacturing industry workers. The data on minimum wages were collected from the official websites of each government (labor commission). It is found that most of the states mostly focus upon the consumer price index and do not provide minimum wages industry wise and only few states fix minimum wages different for each type of industry. The Occupational wage survey identifies this issue and the productivity level of industries to be taken as a factor suggested for better welfare of workers.

KEY WORDS: Minimum wages, Liquor industry, Cost of living index, Local purchasing power index

INTRODUCTION

The Indian Constitution provides for the growth and development of Labour laws in India. The Part III of the Constitution acts as a benchmark for the Labour laws. The Minimum Wages Act, 1948, was put into effect to stop employers from underpaying their workers. The Act applies to all types of businesses, factories, and enterprises. "Minimum wages" has been defined as the level of income for skilled and unskilled workers which ensures a sustaining standard of living while also providing for some measure of comfort as per the Indian Constitution. A minimum wage attempts not only to maintain a minimal level of employment but also to enable sustainable ongoing improvement. Its goal is to stop labor exploitation. Every person who works, has a right to reasonable and advantageous compensation, guaranteeing for himself and his family a life deserving of human dignity, according to the Universal Declaration of Human Rights.

Employees and employers use the minimum wage and the cost of living to determine how much they should be paid for a job. The Cost of living index can be used for things like Evaluating the cost of living in various locations to discover a residence and workplace that is inexpensive, assisting you in determining whether your current income or a new wage offer would suffice to cover living expenses, stating if your promotion is due to an increase in the cost of living or the current rate of inflation

Many contend that the cost of living is still more than the minimum wage offers, particularly for those supporting a family, even if minimum wage amounts have increased across a number of states. Inflation may also affect living expenses, which can exceed wages. It is difficult to balance wage rises that stay up with a changing economy because this number fluctuates as well. Main Street Alliance and Business for

a Fair Minimum Wage have supported a substantial minimum wage increase. They claim that pay that more fairly represents the cost of living will lead to happier workers, more prospects for business growth, and an increase in consumer spending. Which leads to the benefit of the economy.

The consumer price index and local purchasing power vary from region to region. The minimum wages for the employees who are working in the scheduled list of employment, the respective State Government or Central Government may fix it accordingly. Therefore, there will be variations in the minimum wages allotted for the industries provided in the schedule and for those not in it. Some of the industries in the schedule of one state need not be in other states. Alcohol is prohibited in the state of Gujarat and other states still have access to them.

BACKGROUND

MINIMUM WAGES: The ILO (International Labor Organization) defines Minimum wages as “the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract”¹. The minimum wage is set by "The Appropriate Government" in accordance with section 3 of the Minimum Wages Act of 1948. Local, state, and Central governments are the appropriate government. This section establishes the rate in accordance with the hours, days, months, or any other authorized wage period. It is not required that the set rates be uniform. For different zones or areas, different tariffs might be set. The Payment of the Wages Act of 1936 will be followed if the wages are set in accordance with section 4 of the Act. The appropriate government must establish a pay commission with representatives from both the company and employee sides. As a result, the chairman of the salary committee shall be a neutral party with no stake in the employment program. The Minimum Wages Act's appointment procedure is designed in this way to prevent any possibility of labor discrimination. Section 7 of the Minimum Wages Act, the Advisory Board, proposes recommendations and changes to be brought in labor laws. The advisory board proposes a recommendation to the State and Central Government in fixing the minimum wages. Non-payment of the minimum wage with respect to the act, is a culpable offense which also implies violation of fixing hours also attracts the penal provision. Section 22 of the Act provides that non-compliance with the minimum wages act will lead to Imprisonment of up to 5 years and a fine up to 10,000. Unscheduled industries are frequently left out, however, during a review cycle, a state might include a minimum wage for a profession or specify it for a sector.

MANUFACTURING INDUSTRY: 16-17% of the Pre-pandemic GDP for India was created by the manufacturing sector, which is expected to increase at one of the fastest rates. India is on the path to becoming a significant global manufacturing hub and has the capacity to export items worth US\$ 1 trillion by 2030. With around 27.3 million jobs and 17% of the GDP, the manufacturing sector is a substantial contributor to the Indian economy. The Indian government wants manufacturing to account for 25% of economic production by 2025 through the implementation of several programs and policies. India now possesses the physical and technological infrastructure needed to increase the manufacturing sector's contribution to the economy and realistically compete for a key position in global supply chains. In India, one of the industries experiencing rapid expansion is manufacturing. To promote India's manufacturing

¹ ILO: [General Survey concerning the Minimum Wage Fixing Convention, 1970 \(No. 131\)](#), and the [Minimum Wage Fixing Recommendation, 1970 \(No. 135\)](#), [Committee of Experts on the Application of Conventions and Recommendations, 2014](#).

sector and advance the nation's economy abroad, Indian Prime Minister Narendra Modi launched the "Make in India" initiative. The government intends to hire 100 million new workers in the sector by 2022. In the financial year 2019, the labor productivity growth of the manufacturing sector in India was 10.9 percent. 2014 saw the lowest increase in the prior six fiscal years, at 5.5 percent, and the highest growth, at 14.1 percent, occurred in 2016. For the two years of 2017 and 2018, the growth rate stayed constant at 7.6 percent. Due to problems with profitability and expansion, India's industrial sector is being compelled to undergo a layoff of the majority of its workforce. Currently, the manufacturing sector accounts for only 12% of the total employment of the workforce in India. In just four years, from 2011 to 2016, there was a considerable decline in manufacturing jobs, particularly in labor-intensive industries including food processing, tobacco, textiles, apparel, leather, and furniture.

LIQUOR INDUSTRY: One of the world's fastest-growing marketplaces for beverages, India's spirits business has recently seen extraordinary expansion. The third-largest alcoholic beverage market in the world is found in India. The Indian Council for Research on International Economic Relations (ICRIER) anticipated that the market for alcoholic beverages in India would be worth 52.5 billion USD (or around Rs. 4 lakh crore) by 2020. Between 2020 and 2023, the market is anticipated to expand at a CAGR of 6.8%². In India, the rate of alcohol use has increased during the past three decades. The quick recovery of alcohol during the epidemic demonstrates the enormous domestic market. Due to India's rapid population growth, 13 million persons of legal drinking age are born each year; of these, at least 3-5 million will eventually consume alcohol, indicating a significant rise in the country's overall alcohol consumption rate. In order to capitalize on the development potential in this business, numerous new Indian start-ups have joined the market with a variety of fresh concepts and intriguing new alcoholic beverages. The local, premium-level brands are outperforming their imported competitors in a wave of competition that is currently sweeping the Indian alcohol market. In the future years, these companies, with their novel concepts and distinctive charms, as well as their carefully chosen products, will transform the market. It's important to note that India's alcoholic beverage business is heavily regulated, and the nation's government places limitations on the nation's alcohol production, distribution, and sale. As a result, licensing, taxing, and other regulatory barriers may provide difficulties for the industry. The demand for premium and craft beers and spirits has increased recently, and there have also been more foreign players entering the market, contributing to the industry's expansion. As of 2019, the Indian alcoholic beverage business directly and indirectly employed about 4 million people, according to the Confederation of Indian Business (CII) research. Jobs in the manufacture, sale, marketing, and retail of alcoholic beverages, such as beer, wine, and spirits, are included in this. The research also predicted that by 2022, the sector could add 3 million new jobs.

COST OF LIVING INDEX: The costs incurred for food, lodging, transportation, energy, clothing, entertainment, healthcare, and education are all included in the cost of living statistics. The cost of living index measures how much the cost of living increases over time and across different geographic areas. The cost of living can have an impact on a person's capacity to save for a home or pay off student loan debt, as well as on where they choose to work and reside. The cost of living index can show how basic costs grow over time and how need-based costs vary from town to town. For the calculation, we begin by giving a central reference city—which just so happens to be Prague—a value of 100 in order to determine

² <https://startuptalky.com/indian-liquor-industry/>

the Price Index value for each city. The Price Index value of every other city in the database is then determined by comparing each city's cost of living to Prague's cost of living after the reference point has been established. Therefore, a city with a Price Index of 134 means that living there is 34% more expensive than it is in Prague³. Employees and employers use the minimum wage and the cost of living to determine how much they should be paid for a job. Summary of cost of living in India

- Family of four estimated monthly costs: Rs133,538
- Single person estimated monthly costs: Rs58,854
- Asia's least expensive nation is India (13 out of 13).
- India ranks first globally in terms of affordability (74 out of 74)⁴.

LOCAL PURCHASING POWER and CONSUMER PRICE INDEX: The worth of a currency is determined by how many goods or services one unit of that currency can be used to purchase. It can become worse over time as a result of inflation. This is because higher prices could cause you to purchase fewer goods or services. The purchasing power of a currency is another term for it. Governments enact laws and regulations to safeguard a currency's purchasing power and maintain a thriving economy. To keep up with shifting circumstances, they also keep an eye on economic data. The progressive increase in the cost of a wide variety of goods and services is known as inflation. Your purchasing power—what you can buy with your money—may be reduced if inflation stays at a high level or spirals out of control.

The CPI is one measure of inflation and purchasing power⁵. It determines the change in the weighted average of consumer goods and services prices over time, with a focus on transportation, food, and health care. The CPI can indicate both deflation and changes in the cost of living. A country's population's cost of living and changes in the purchasing power of its currency can both be determined using the CPI. By averaging the prices of the commodities included in the common basket, CPI tracks changes in their prices. The CPI has been found to be a reliable indicator of both price increases (also known as inflation) and decreases in prices (commonly known as deflation)⁶.

The Labor Bureau has been compiling and maintaining the Consumer Price Index for Industrial Workers since 1944. Following then, the series underwent revisions from 1944 to 1949, 1949 to 1960, 1960 to 1982, 1982 to 2001, and 2001 to 2016. Since September 2020, the new series of the Consumer Price Index for Industrial Workers (CPI- IW) has been calculated using a base of 2016 = 100. These indices measure the relative changes in retail prices of fixed basket of goods and services consumed by industrial workers over a period of time⁷.

DEMAND AND SUPPLY OF PRODUCTS: In economics, the relationship between the quantity of a good or service that producers want to sell at different prices and the quantity that consumers want to buy is known as supply and demand. It serves as the primary model for determining prices in economic theory. The interaction of supply and demand in a market determines the price of a good. The price mechanism in a free

³ <https://www.expakistan.com/cost-of-living/country/india>

⁴ <https://www.expakistan.com/cost-of-living/country/india>

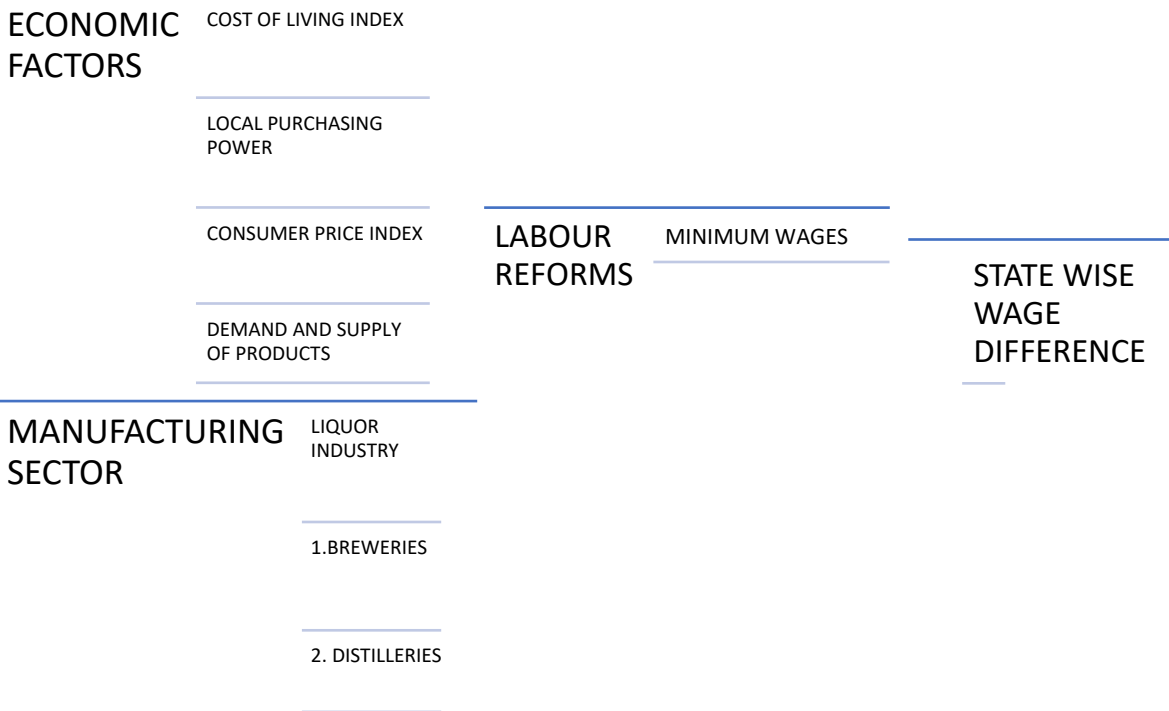
⁵ <https://www.investopedia.com/terms/p/purchasingpower.asp>

⁶ <https://www.investopedia.com/ask/answers/100214/how-cost-living-index-calculated.asp>

⁷ <https://labour.gov.in/consumer-price-index> <https://labourbureau.gov.in/cpi-iw>

market adjusts supply and demand. Buyers will typically bid the price higher if they want to buy more of a good than is offered at the going rate. Suppliers will lower their pricing if they want to buy less than what is offered at the going rate. Thus, the price mechanism determines how many units of a good will be produced. The distribution of goods, i.e., how they are produced, dispersed, and who will receive them, is likewise determined by the price system. Consumer goods, services, labour, and other commodities may be included in the goods created and supplied in this way.

FRAMEWORK



RESEARCH OBJECTIVE

The objective of this research is to see how the consumer price index, cost of living, and local purchasing power have an effect on the minimum wages of workers in the liquor manufacturing industry including breweries, and distilleries geographically. This research also aims to see how the demand and supply of liquor may affect the minimum wages provided by the liquor manufacturing sector.

RESEARCH HYPOTHESIS

- There is a significant relation between the Cost of living index and minimum wages provided by employers.
- There is a significant relationship between the demand and supply of liquor and minimum wages in the liquor industry.

ANALYSIS

STATE WISE INTERPRETATION:

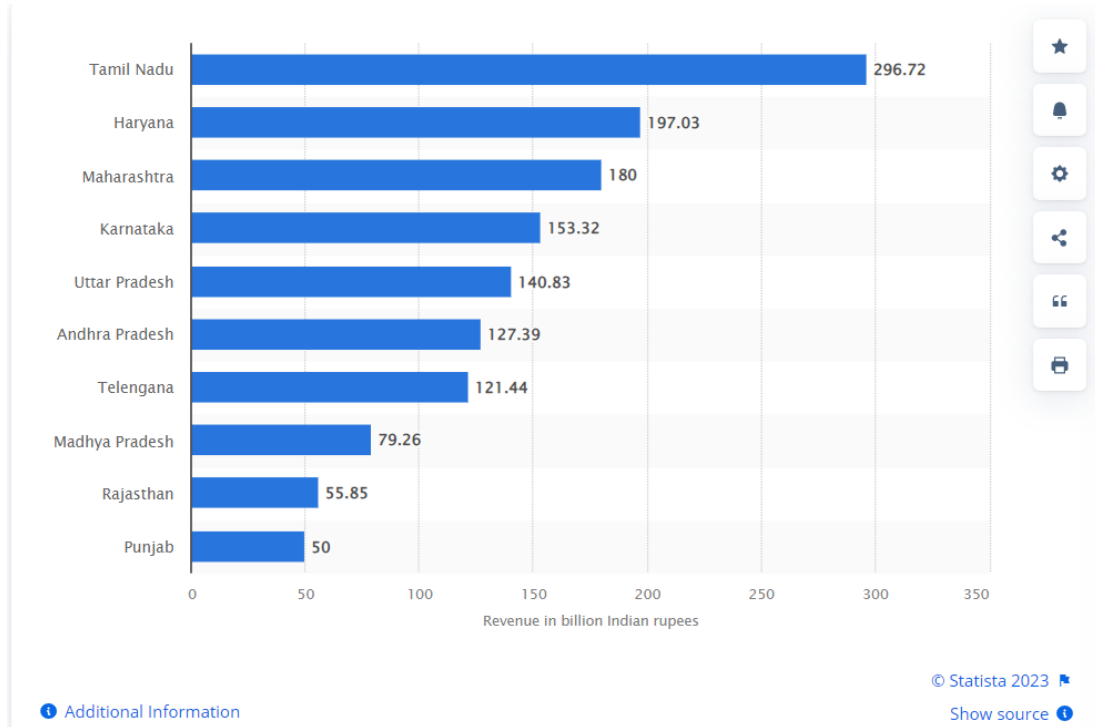


Chart 1.1

The above chart provides us with the states with the highest alcohol revenue in India during the year 2016.

#	State	Excise revenue (₹ cr)	Share in revenue (%)
1	Uttar Pradesh	31,517.40	21.8
2	Karnataka	20,950	20.6
3	Maharashtra	17,477.40	8.3
4	Madhya Pradesh	11,873.70	19.9
5	Tamil Nadu	7,262.30	5.8

Table 1.1

The data was taken from latest Reserve Bank of India’s data on Excise revenue.⁸

Sales of alcoholic beverages, as well as land registration and stamp duty, make up the majority of the own-tax revenue. The GST incorporates the remaining taxes. Therefore, greater excise taxes are a sign of more alcohol sales revenue.

⁸ <https://www.findeasy.in/alcohol-consumption-in-india/>

- **UTTAR PRADESH:**

Uttar Pradesh was in the 5th place in revenue from manufacture in 2016. According to the Table1.1 Uttar Pradesh which gets the maximum excise revenue (which is mainly levy on alcohol) in the country. UP gets around ₹31,500 crore as excise revenue. UP is the second largest of manufacturer of alcohol with 32 industries which produce a total of 2321 KLPD (Kilo Litre per day) and 699900 KLPA (Kilo Litre per annum)⁹

Cost of living index of the capital city Lucknow is 58.3 which is lesser than almost 22 main cities of India, but Noida has an purchasing power index value of 80.2.

The Government of Uttar Pradesh has not provided Minimum wages specifically for the workers of the liquor industry or region wise.

Effective from Date: **1st Apr, 2023** Updated As On: 5th Apr, 2023

Class of Employment	Basic Per Month	VDA Per Month	Total Per Day	Total Per Month
Unskilled	5750.00	4339.00	388.00	10089.00
Semi-skilled	6325.00	4773.00	427.00	11098.00
Skilled	7085.00	5347.00	478.00	12432.00

Table 1.2¹⁰

- **KARNATAKA:**

It was the 4th highest revenue collector from liquor in the year 2016 and now the 2nd largest contributor of excise revenue with 20% share in India’s total revenue. Karnataka is the third largest producer of alcohol with production of 1000 KLPD (Kilo Litre per day) and 300,000 KLPA (Kilo Litre per annum)¹¹. Bangaluru is on the top 5 cities in India with highest Cost of living index and 113.1 as local purchasing power index. The government of Karnataka has set the minimum wags for the workers of Distilleries and Breweries with Cost of Living Allowance to be paid over and above 7616 points Cost of Living Index: 8398– 7616= 782 points

⁹ <https://www.indiansugar.com/PDFS/EthanolProducersList.pdf>

¹⁰ <https://www.comply4hr.com/minimum-wages.asp>

¹¹ <https://www.indiansugar.com/PDFS/EthanolProducersList.pdf>

SCHEDULE										
Sl. No.	Class of Employment	Minimum rates of wages								
		Zone-I		Zone-II		Zone-III		Zone-IV		
		Per Day	Per Month	Per Day	Per Month	Per Day	Per Month	Per Day	Per Month	
1	2	3	4	5	6	7	8	9	10	
Highly Skilled										
1	Supervisor, Chemist (Graduate)	Basic	666.35	17324.99	605.77	15749.99	550.70	14318.00	500.64	13016.52
		VDA	36.09	938.40	36.09	938.40	36.09	938.40	36.09	938.40
		Total	702.44	18263.39	641.86	16688.39	586.79	15256.40	536.73	13954.92
Skilled:										
1	Mechanic, Electrician, Boiler Attender, Machine Operator, Machine Driver	Basic	637.06	16563.66	579.15	15057.87	526.50	13688.97	478.64	12444.52
		VDA	36.09	938.40	36.09	938.40	36.09	938.40	36.09	938.40
		Total	673.16	17502.06	615.24	15996.27	562.59	14627.37	514.73	13382.92
Semi-Skilled:										
1	Bottle Carrier, Bottling Worker, Packing Worker, Lab Assistant, Loader.	Basic	615.10	15992.66	559.18	14538.78	508.35	13217.07	462.14	12015.52
		VDA	36.09	938.40	36.09	938.40	36.09	938.40	36.09	938.40
		Total	651.19	16931.06	595.28	15477.18	544.44	14155.47	498.23	12953.92
Un-Skilled:										
1	Liquor Filler to the Bottle, Bottle Cleaner, Cleaner, Attender, Helper, Mazdoor.	Basic	607.78	15802.32	552.53	14365.75	502.30	13059.8	456.64	11872.52
		VDA	36.09	938.40	36.09	938.40	36.09	938.40	36.09	938.40
		Total	643.87	16740.72	588.62	15304.15	538.39	13998.20	492.73	12810.92

Table 1.3¹²

Zone I shall comprise Bruhat, Bengaluru, Mahanagar and Palike.

Zone 2 shall comprise all notified areas of the city Corporations of the State and agglomeration areas other than the places mentioned in Zone 1.

Zone 3 shall comprise of all the District Head Quarters others than the places mentioned in Zone 1 and Zone 2.

Zone 4 shall comprise of other areas which are not covered in Zone 1, Zone 2 and Zone 3¹³.

• MAHARASHTRA:

Maharashtra is the largest producer of alcohol with 58 industries of 2455 KLPD and 736,500 KLPA¹⁴ and in third largest contributor towards the excise revenue with 17,477.40 crore revenue. It was also in the Third place in highest alcohol revenue 2016. The Cost of living of Mumbai is 81.53 making it the 3rd city in the hierarchy of cost of living index but its Local purchasing power index is 52.9. Pune is another city of Maharashtra with 95.8 and local purchasing power index and Thane with 58.4, both higher than Mumbai.

Sr. No.	Schedule of Employment	Categories of workers	Special Allowance per month	Zone - I			Zone - II			Zone - III		
				Basic Wages	DA	Total Wages	Basic Wages	DA	Total Wages	Basic Wages	DA	Total Wages
(In Rupees per Month)												
				7000	4700	11700	8000	4700	12700	8500	4700	13200
36	Liquor Manufactory	Skilled	4784	9910	4784	14694	9190	4784	13974	8470	4784	13254
		Semi skilled		9670	4784	14454	8950	4784	13734	8225	4784	13009
		Unskilled		9430	4784	14214	8710	4784	13494	7990	4784	12774
37	Oil Mill	Skilled	4704	10350	4704	15054	9800	4704	14504			
		Semi skilled		9400	4704	14104	8850	4704	13554			
		Unskilled		8500	4704	13204	7950	4704	12654			

¹² <https://www.comply4hr.com/minimum-wages.asp>

¹³ <https://www.comply4hr.com/mw/KAR2023KAR2023APR.pdf>

¹⁴ <https://www.indiansugar.com/PDFS/EthanolProducersList.pdf>

Table 1.4¹⁵

Zone I shall comprise of the areas falling within the limits of all Municipal Corporations, Cantonment areas and Industrial areas within 20 Kilometres radius from all Municipal Corporations limit;

Zone II shall comprise of the areas falling within the limits of all "A" and "B" grade Municipal Councils;

Zone III shall comprise of all other areas in the State, which are not included in Zone I and II.¹⁶

• TAMILNADU:

Tamil Nadu received highest revenue from alcohol during the year 2016 and is currently in the 5th position in the industry. According to a Crisil research, the State tops the nation in alcohol use today, making up 13% of the nation's overall consumption (2022). The Tamil Nadu State Marketing Corporation, also known as TASMAC, is in charge of overseeing all spirits sales. TASMAC sells 90,000 cases of beer and 1,60,000 cases of IMFL every day¹⁷. The Cost of living Index of the capital of Tamil Nadu i.e. Chennai is 63.8 (on top 20 cities of India) and with a Local purchasing power index of 61.5. Coimbatore another city in the state with a Local purchasing power index of 50.3.

The Government of Tamil Nadu has set the minimum wages for the workers of the scheduled employment with the Average Consumer Price Index:

BASE YEAR 2001=100 318 Points

BASE YEAR 1982=100: 1,574 Points

BASE YEAR 1960=100 7,949 Points

<u>Serial Number.</u>	<u>Classes of employees.</u>	<u>Minimum rate of basic wages. (per month)</u> (Rs.)
(1)	(2)	(3)
1.	Supervisor/Chemist	10763
2.	Skilled / Operator	9982
3.	ITI Certificate Holder	9982
4.	Assistant/Junior Technician	9722
5.	Engineer/Workshop Engineer.	9722
Administrative Staff		
6.	Manager	10416
7.	Accountant	10416
8.	Sales Executive	10416
9.	Work Officer	10416
10.	Assistant	10156

¹⁵ <https://www.comply4hr.com/minimum-wages.asp>

¹⁶ <https://www.comply4hr.com/mw/MAH2023Pune2023S.pdf>

¹⁷ <https://frontline.thehindu.com/social-issues/booze-bumps-time-to-turn-around-tasmac-from-its-terrible-mess/article65662104.ece>

11.	Clerk	9982
12.	Driver	9982
13.	Office Assistant / Peon	9722
14.	Watchman	9722

18

Sl. No	Name of the scheduled employment	Labour Welfare and Skill Development Department G O No & Date	G O Effective from (Date)	Base Index	Rate of dearness allowance	Amount of dearness allowance payable
21	EMPLOYMENT IN DISTILLERY INDUSTRY	(2D) No 42 dated 10/06/2022	06/07/2022	161 / 2010 (2001=100)	₹ 60.35 per point per-month	₹ 9,475 p/m

Table 1.5¹⁹

• MADHYA PRADESH:

Madhya Pradesh was the 8TH highest revenue producer from alcohol production in the 2016 and has improved its production by moving to the 4th place in excise revenue. The government in Madhya Pradesh has decided to legalise the sale of alcohol at all state airports and in a few chosen supermarkets in four major towns. It has also decided to provide home bar licences to persons who earn Rs 1 crore or more per year. The Base year is taken as 2016 – 100 and the 8394.91 points for Consumer Price Index and for 133.30 the month of March. The local purchasing power of the capital of the state – Bhopal is 58.0 and another city Indore – 63.8.

Effective from Date: **1st Apr, 2023** Updated As On: 3rd Apr, 2023

Class of Employment	Basic Per Day	Basic Per Month	VDA Per Day	VDA Per Month	Total Per Day	Total Per Month
Unskilled	250.00	6500.00	121.15	3150.00	371.15	9650.00
Semi-skilled	271.42	7057.00	132.69	3450.00	404.12	10507.00
Skilled	324.42	8435.00	132.69	3450.00	457.12	11885.00
Highly Skilled	374.42	9735.00	132.69	3450.00	507.12	13185.00

Table 1.6²⁰

• DELHI:

Delhi consumes 12–13 lakh bottles of alcohol per day. It is the 6th costliest city in India to live with a local purchasing power index of 58.1²¹

¹⁸ https://cms.tn.gov.in/sites/default/files/go/labemp_e_28_2021_2D.pdf

¹⁹ <https://www.comply4hr.com/minimum-wages.asp>

²⁰ <https://www.comply4hr.com/minimum-wages.asp>

²¹ <https://www.expatisan.com/cost-of-living/country/india>

Category	Rates as on 01/10/2022	D.A(pm) w.e.f 01/04/2023	Rates from (Rupees) 01/04/2023	
	(Rupees)	(Rupees)	Per-month	Per-day
Un-skilled	16,792/-	442/-	17,234/-	663/-
Semi-skilled	18,499/-	494/-	18,993/-	731/-
Skilled	20,357/-	546/-	20,903/-	804/-

Table 1.7

- BIHAR: The state had produced 275 KLPD 74250 KLPA making it to the top 10 states in the manufacturing of liquor²². The minimum wages is fixed same for 69 scheduled employments.

Sl. No	Categories of Worker	From Dated-01.09.2022 + 01.10.2022 Minimum Wages Fixed (In. Rs.)	Amount of V.D.A. which is effective from the date- 01.04.2023 (In Rs.)	Total rates of wages effective from the date 01.04.2023 Column (3+4)
1	2	3	4	5
1.	Unskilled	366.00+7.00=373.00	15.00	388.00 Perday
2.	Semi skilled	380.00+8.00=388.00	15.00	403.00 Perday
3.	Skilled	463.00+9.00=472.00	19.00	491.00 Perday
4.	Highly Skilled	566.00+11.00=577.00	23.00	600.00 Perday
5.	Supervisory/Clerical	10478.00+210.00=10688.00	419.00	11107.00 Per Month

Table 1.8²³

- PUNJAB: The state has a single liquor manufacturer in the year 2014 with 40KLPD production and 12000KLPA²⁴. Its capital is just below the top 10 costly cities of India and has a purchasing power index of 76.0.

Sr. No.	Categories	W.E.F. 1.9.2013 Monthly/Daily/ Per Hour (In Rs.)	W.E.F. 1.9.2022 Monthly/Daily/ Per Hour/ (In Rs.)	W.E.F. 1.3.2023 Monthly/Daily/ Per Hour/ (In Rs.)
1	Un-skilled	6247.75	9907.68	10353.77
		240.64	381.06	398.22
		30.08	47.63	49.77
2	Semi-skilled	7027.75	10687.68	11133.77
		270.64	411.06	428.22
		33.88	51.38	53.52
3	Skilled	7924.75	11584.68	12030.77
		305.14	445.56	462.72
		38.18	55.69	57.84
4	Highly – skilled	8956.75	12616.68	13062.77
		344.84	485.25	502.41
		43.18	60.65	62.80

²² <https://www.indiansugar.com/PDFS/EthanolProducersList.pdf>

²³ <https://www.comply4hr.com/minimum-wages.asp>

²⁴ <https://www.indiansugar.com/PDFS/EthanolProducersList.pdf>

Table 1.9²⁵

FINDINGS

For a scientific analysis of the occupational wage structure in various industries and for the creation of a suitable wage policy, the availability of trustworthy statistics on wage rates and earnings in various industries, especially for diverse occupations, is of significant relevance.

By interpreting the above data collected from each state's official website of the labor commission, we can see that few states have specifically allotted minimum wages for the liquor manufacturing industry and other states have set minimum wages as a bar for all the scheduled employments.

Even though Uttar Pradesh is one of the leaders in the liquor industry, with more demand and supply, the minimum wages are set the same for all the scheduled employments. The total per day rate being 388 and 10089 for a month is relatively low than Punjab which is not even in the top 10 producers of liquor. Bihar also has the same level of minimum wage as Uttar Pradesh.

Delhi also does not have a minimum wage set for its liquor manufacturing industry. But it being on top of the costliest city of India, with its high cost of living index, the territory's minimum wage is the highest compared to other states and union territories of India with a minimum of 17234 for unskilled workers.

Punjab and Madhya Pradesh also don't take the demand and supply of products, or the productivity level of manufacturers to fix the minimum wages for a particular industry as they take only the cost of living and consumer price index for minimum wages fixation. This can be inferred from the data as all the workers of the state are fixed with the same level of wages irrespective of the type of industry they work in.

On the other hand, the states of Karnataka and Maharashtra have fixed their minimum wages industry-wise and allocate different levels of wages zone-wise also. Only a few states like Tamil Nadu, West Bengal, Karnataka, and Maharashtra have given employment-wise minimum wages. From this, we can infer that the state has taken the demand and supply and performance of the industry and its ability to pay the workers into consideration.

Even the Zone 4 Unskilled workers in the state of Karnataka are paid more than the Skilled workers of the state of Uttar Pradesh. As far as the dearness allowance is compared, Tamil Nadu pays more than other states but it does not separate its area zone-wise. Maharashtra pays an equal amount of Dearness allowance to all of its employees irrespective of the industry they work in. But the minimum wages are varied according to the industry and are also almost near to Karnataka which pays more to its distillery workers.

SUGGESTIONS

From the findings of this research, the labor commission of each state can follow the methods of Karnataka and Maharashtra by allotting minimum wages on the basis of zones (cost of living and consumer price index) as few places in a state can be well developed and other places in a developing stage. Similarly, by analyzing the production capacity, demand and supply of products produced, revenue earned of an industry, more minimum wages or less wages can be prescribed for the welfare of the employees.

In this article only few states which are in the top 10 places in the liquor industry is used for interpretation. This is a limitation to know the geographical distribution of minimum wages in India.

²⁵ <https://www.comply4hr.com/minimum-wages.asp>

CONCLUSION

We can see that there is a significant relationship between the cost of living index and minimum wages making the first hypothesis valid. On the other hand, only a few states have given minimum wages industry wise, implying that the demand and supply of the products do not hold a significant relationship with the minimum wages.

There are significant gaps in the wage statistics that are currently available in the nation under various Acts, such as the Payment of Wages Act of 1936, the Collection of Statistics Act of 1959, and the Minimum Wages Act of 1948, among others. This is because these Acts only provide data at the industry level, not the occupation level, which is necessary for a thorough analysis of wage rates and wage differentials in particular jobs/occupations. These details are necessary for defining and creating the appropriate connection in standardizing wages in a region or industry, as well as determining the cost of other aspects important to the efficient administration of workers in that sector.

Thus, the only data source in the nation that offers these specifics is the Occupational Wage Survey. In order to create an up-to-date data base that will, in turn, make it easier to achieve the following goals, occupational wage data are periodically collected regarding employees in a number of service sector, plantations, mines, and manufacturing industries.

Their goals are:

To gather information on employment, wage rates, and dearness allowance by occupation, which will be used to create base year weights and update the basis for the wage rate index numbers.

To gather information on various pay roll components for various jobs in order to conduct scientific research on the differences in pay between and within the service sector, plantation, mining & manufacturing industries. OWS's most recent 7th round was just finished. The eighth sub round's preparation work is now in progress²⁶.

²⁶ <https://labourbureau.gov.in/ows-2>