

# Daily Wage Payments in India

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## Topic- Government Policies and Interventions [GS Paper-2]

**Context-** Recently, the Reserve Bank of India (RBI) has released data on daily wage payments in India.

### Key Highlights

#### Agricultural Labourers:

- In the state of Madhya Pradesh (MP), male agricultural workers in rural areas got a daily wage of just Rs 217.8 while in Gujarat, it worked out to Rs 220.3 in the year ended March 2022.
- Daily wages in both Madhya Pradesh and Gujarat are below the national average of Rs 323.2.
- Kerala leads in highly paid agricultural workers with the average wage of Rs 726.8 per worker.
- The high wages in Kerala have attracted agricultural workers from other poorly paid states with around 25 lakh migrant workers reportedly living in the state.
- In Jammu & Kashmir, farm workers get an average wage of Rs 524.6, Himachal Pradesh Rs 457.6, and Tamil Nadu Rs 445.6 per person.

#### Non-agricultural Workers:

- In the case of male non-agricultural workers, the lowest wage was in MP with an average wage of Rs 230.3 while Gujarat workers got a daily wage of Rs 252.5 and

Tripura Rs 250, all below the national average wage of Rs 326.6.

- Kerala also leads in non-agricultural workers' wages with Rs 681.8 wage per person.
- Kerala was followed by J&K, Tamil Nadu and Haryana for the year 2022.
- Gujarat and Madhya Pradesh are below the national average of Rs 373.3 in the case of rural male construction workers.
- Gujarat rural construction workers got an average wage of Rs 295.9, Madhya Pradesh Rs 266.7 and Tripura Rs 250.

### **Construction Workers:**

- Daily wage for rural construction workers was Rs 837.7 in Kerala, whereas Rs 519.8 in J&K, Rs 478.6 in Tamil Nadu and Rs 462.7 in Himachal Pradesh.

### **Issues associated with Rural Wages**

- Rural jobs are mostly dependent on agriculture which in turn is influenced by monsoon and rabi and kharif production.
- Low agricultural prices contribute to lower incomes particularly in rural areas.
- Most new jobs in the rural areas are for unskilled workers, hence the wages and nature of the work are unattractive.
- There has been a strong gender disparity, where the female worker is paid only 70% of what the male worker earns.
- Productivity increases without wage increases could consequently offset the impact of real wage increases on welfare.

### **Way Ahead**

- In order to tackle the challenge of creating decent jobs for its growing young population, action will be needed on multiple fronts including investments in human capital, revival of the productive sectors, and programmes to stimulate small entrepreneurship.
- There must be incentives provided to rural food processing industries, and value chains that must be efficient in linking processing with transportation.
- Further, contract farming and direct farm-factory connections offer considerable potential for rural income security.
- Digitalisation in rural space and Local e-governance can be critical to making 650,000 villages and 800 million citizens self-sufficient.
- Through active collaboration between the public and private sectors, a rural knowledge platform can be built which will bring cutting-edge technology deeper into villages and create jobs.
- Artificial Intelligence can be useful to facilitate smart and precise agriculture