



Preface

“Capital is a result of labour, and is used by labour to assist it in further production. Labour is the active and initial force, and labour is therefore the employer of capital.”

– Henry George

The word ‘labour’ takes us back to those initial pages of Macroeconomics when it had for the first time been explained in black and white as to how significant a role was played by the labour in driving the economy. It was further reiterated this role was not limited to a single economy, rather the same was observed, perceived and acknowledged globally.

That said, the calculation of National Income thrives on the incomes of various segments, one of them being wages. While the labour market in India is known for excess availability of workers, the same comes across as the *raison d’être* for the fairness in wage entitlement. The need of the hour is to have an effective minimum wage policy targeting the vulnerable ground level wage earners which can not only drive up aggregate demand but also spur a phase of sustainable and inclusive growth.

The Ministry of Labour & Employment introduced the Code on Wages (bill) in Parliament after many multi-stakeholders consultations. The enactment of Code on Wages, 2019 (Code) seems to have engulfed the said issues and put across itself as the perfect response and solution to the issues facing the Indian Labour Market. While having removed multiplicity of definitions, the Code seeks to bring about uniformity in the provisions of minimum wages and timely payment of wages to all employees irrespective of the sector and wage ceiling.

I take this opportunity to express my sincere gratitude to the Hon'ble Minister of State for Labour and Employment (Independent Charge) and the Secretary, Ministry of Labour & Employment, Government of India for bringing out reforms in the Labour Laws by the enactment of the Labour Codes. This will surely prove to be an important milestone for the welfare of the workers in the country.

Given the various new aspects introduced through the Code, the need was felt to develop a comprehensive publication wherein the provisions of the Code were explained in a simple and easy to understand manner so as to accord better understanding to the professionals looking forward to practice in the field of labour laws. Furthermore, efforts have been made to give clarity by citing appropriate examples, comparative explanation with existing laws and the diagrams.

I would like to place on record my sincere appreciation to CS Devendra V. Deshpande, Chairman, Management Committee, ICSI-CCGRT and Council member, ICSI for this initiative and offering valuable suggestions and guidance in preparation of the publication.

I also express my sincere gratitude to Ms. Sudha Pillai, Chairperson and other members of the Task Force on Labour Laws for providing valuable inputs for improvement of this publication.

I appreciate the contribution made by CS Sandeep M. Nagarkar in preparing initial draft of this publication. I sincerely commend the efforts of the team at the ICSI under the able leadership of CS Asish Mohan, Secretary, ICSI in preparing this publication.

I hope that this publication shall prove to be of great help in understanding the Code on Wages, 2019 in narration mode. However, since there is always scope for further improvement in any publication, I would be grateful to the users and readers for offering their suggestions/comments/inputs for its further refinement.

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CS Ashish Garg
President

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