



International
Labour
Organization



Setting
Adequate
Wages

SAW Project India



► Context

Adequate frameworks of wage fixation, including statutory minimum wages and collective bargaining of wages, offer a great potential to address the challenge of low pay in India.

However:

- **62 million workers** earn below the minimum wage, the majority of whom are women.
- The **occurrence of informality** in India represents one of the significant challenges for the compliance with minimum wages, both in the agricultural and non-agricultural sectors.

In this context, the **SAW project** in India supports wage setting mechanisms in making a stronger use of data and evidence on the needs of workers and their families and economic factors. Additionally, the project identifies national factors and conditions that enable wage increases, and supports measures to raise productivity in selected supply chains. Finally, the project contributes to raise awareness on living wages, provides technical assistance to national constituents in this regard, and engages with existing living wage initiatives in the country to promote alignment with ILO living wage principles.

(Source: ILO India Wage Report, 2018)



► The SAW project at a glance

OBJECTIVE

Promoting wages that ensure a just share of the fruits of progress to all.

COUNTRIES COVERED



TIMEFRAME

From October 2022 to September 2026.



2022



2023



2024



2025



2026

IMPLEMENTING PARTNER

MOFA, Government of the Netherlands.

► Project strategy

Workers receive adequate wages

- **Minimum wage settings** are based on relevant indicators of the needs of workers and their families and economic factors.
- Social partners use information on the needs of workers and their families for meaningful and informed **collective bargaining of wages**.
- **Compliance** with statutory and negotiated wages is improved.

Enterprises are able to pay higher wages

- **Productivity and wages** are improved in selected enterprises in supply chains.
- **Macro factors and institutions** that support and enable rising wages are assessed.

Living wage initiatives follow ILO principles

- Governments and social partners have a **better understanding of living wages**.
- International and national **living wage initiatives** are informed about the needs of workers and their families and economic factors.



► National strategic framework

PILLAR 1

Support wage setting mechanisms

INTERVENTION RESULTS:

1.1. **Minimum wage settings**

are based on relevant indicators of the needs of workers and their families and economic factors.

1.2. Social partners use information on the needs of workers and their families for meaningful and informed **collective bargaining of wages**.

1.3. **Compliance** with statutory and negotiated wages is improved.

ACTIVITIES/PRODUCTS:

► Technical support to the Minimum Wage Advisory Board in selected states through studies, trainings and evidence-based dialogues to set minimum wages at an adequate level.

► Rapid assessment of collective bargaining of wages and roadmap to strengthen collective bargaining of wages in selected states.

► Trainings, roundtables and workshops on collective bargaining of wages to promote understanding and build capacity to negotiate adequate wages.

► Studies on compliance with statutory minimum wages and collective bargained wage rates in India, differentiating by territories, sectors, population groups, etc.

► Information campaign to promote compliance with minimum wage rates.

PILLAR 2

Enable wage growth

INTERVENTION RESULTS:

2.1. Productivity and wages are improved in enterprises in selected supply chains.

2.2. Macro factors and institutions that support and enable rising wages are assessed.

ACTIVITIES/PRODUCTS:

- ▶ Assessment and training about the factors that condition productivity and wage improvements at the economic unit level in selected supply chains.
- ▶ Technical analyses of economic factors contributing to wage growth.
- ▶ Workshops to disseminate findings from research on macro factors affecting wage growth and provide technical trainings based on this evidence.



PILLAR 3

Engage with living wage initiatives

INTERVENTION RESULTS:

3.1. Governments and social partners have a **better understanding of living wages**.

3.2. International and national **living wage initiatives** are informed about the needs of workers and their families and economic factors.

ACTIVITIES/PRODUCTS:

► Develop and disseminate the ILO methodology to estimate living wages.

► Engage with existing living wage initiatives to promote alignment with ILO living wage principles.





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For more information,
please visit the SAW
project website:

