

India

Overview



Commodities

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Wages

What's happening

62%

Population below international poverty line

variable

National minimum wage

€118

per month

Rural living wage

€177

per month

Urban living wage

43%

Agricultural workforce

16%

Agriculture share of GDP

5

very high

Risk to workers' rights

Context

India has a population of 1.3 billion people,^[1] with 65% of inhabitants living in rural areas.^[2] The agricultural sector employs 42%^[3] of India's workforce and accounts for 16%^[4] of the nation's GDP.

Nearly 70% of India's rural households depend on agriculture for their livelihoods and most farmers in India, 82%, are smallholders. In addition, the demographics of agriculture in India have been changing as rural to urban migration of men has increased the number of women in agriculture. For many women agricultural work is done in tandem with domestic duties, creating additional burdens.^[5]

The top produced crops in India are sugar cane, rice, milled rice, wheat and fresh buffalo milk.^[6] India's top exported products in terms of quantity are rice, milled rice, refined sugar, soybeans cake and dry onions^[7]

Wages

Minimum wage

Minimum wage in India varies by region and employment type, with a separate minimum wage established for agricultural workers.^[8] State mandated minimum wages do not apply to the informal sector where violations of wages are most common. Similarly, minimum wages are not effectively enforced in the agricultural sector. In addition, although compulsory overtime is not permitted by law, there is no limit to the number of hours a worker can work, resulting in excessive working hours.^[9]

Living wage

The Global Living Wage Coalition has developed **3 living wage benchmarks** for India.

The living wage estimate for the rural Nilgiris District in Tamil Nadu State is 12,666 Indian rupees (141 EUR) per month based on a family of 4 with 1.73 full-time workers.^[10] In Nilgiris District tea production and large tea estates are very significant and so this living wage estimate is focussed on workers in the tea sector. The original benchmark study of 2018 found that current wages for tea workers were between 5% and 13.5% lower than the estimated living wage, depending on the size of the bonus.^[11]

The living wage estimate for Tiruppur City in urban Tamil Nadu, India, is 15,570 Indian rupees (173 EUR) per month and is based on a family of 4 with 1.58 full-time workers.^[12] The living wage estimate focuses on workers employed in the garment and textile sector. The study found that prevailing wages in the Tiruppur garment industry are approximately 45% lower than the estimate of living wage.^[13]

The living wage estimate for the rural areas of eastern Uttar Pradesh is 10,627 Indian rupees (118 EUR) per month and is based on a family of 5 with 1.55 full-time workers.^[14] In the rural areas of eastern Uttar Pradesh there is a concentration of carpet weavers and so the living wage estimate focusses on workers employed in the carpet weaving industry.^[15]

What's happening

RESOURCE

Assessing coffee farmer income ↗

Assessment of coffee farmer household income to better understand strategy and policy and to inform Fair Trade minimum prices. Fairtrade International & True Price, 2017.

INITIATIVE

Wage Issues in the Tea Industry ↗

Project aiming at increasing understanding of wages and living wage gaps in the tea sector, building partnerships and identifying obstacles to raising wages.

INITIATIVE

Small Tea Growers Sustainability Platform ↗

Multi-stakeholder platform set up to improve livelihoods of tea smallholders in India. The Platform aims to close the living income gap by 20 percent.

RESOURCE

Living wage Benchmark, Rural Tamil Nadu ↗

Living wage estimate for rural areas of Eastern Uttar Pradesh, in the Bhadohi district, with a focus on the carpet weaving industry. Global Living Wage Coalition, 2019.

RESOURCE

Living Wage Benchmark, Rural Uttar Pradesh ↗

Living wage estimate for rural areas of Eastern Uttar Pradesh, in the Bhadohi district, with a focus on the carpet

RESOURCE

Living Wage Benchmark, Urban Tamil Nadu ↗

Living wage estimate for Tiruppur city in the state of Tamil Nadu, India, with a

Footnotes

1. World Bank. (2019). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=IN>
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3. World Bank. (2019). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=IN>
4. World Bank. (2019). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=IN>
5. FAO. (2017). <http://www.fao.org/india/fao-in-india/india-at-a-glance/en/>
6. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country
7. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
8. Wage Indicator Foundation (2020). Minimum Wage-India. <https://wageindicator.org/salary/minimum-wage/india>
9. U.S. Department of State. (2019). <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/india/>
10. Global Living Wage Coalition (2020). Living Wage Update: July 2020-Rural India, Nilgiris, Tamil Nadu. https://www.globallivingwage.org/wp-content/uploads/2020/06/Update-Report_Nilgiris-India_2020.pdf
11. Barge, S., et al. (2018). Living Wage Report: Rural Nilgiris, Tamil Nadu, India. Prepared for: The Global Living Wage Coalition. https://www.globallivingwage.org/wp-content/uploads/2020/06/LW-Report_Nilgiris_2018.pdf
12. Global Living Wage Coalition (2019). <https://www.globallivingwage.org/living-wage-benchmarks/urban-india/>
13. Barge, S., et al. (2016) Living Wage Report: Tiruppur City, Tamil Nadu, India. Prepared for: The Global Living Wage Coalition. <https://www.globallivingwage.org/wp-content/uploads/2018/05/Tiruppur-Living-Wage-Report-1.pdf>
14. Global Living Wage Coalition (2019). <https://www.globallivingwage.org/living-wage-benchmarks/rural-india/>
15. Mamkoottam K. & Kaicker N. (2016). Living Wage Report: Bhadohi, Uttar Pradesh, India. Prepared for: The Global Living Wage Coalition. https://www.globallivingwage.org/wp-content/uploads/2018/05/Rural_India_Living_Wage_Report.pdf