

FAQs about WAGE RATE INDEX SCHEME (Base 2016=100)

1. What do you mean by Wage Rate Index Numbers?

Wage Rate Index Numbers depict movement of relative change experienced in the wage rates over a period of time.

2. From which year indices are being compiled by the Labour Bureau?

These indices are being compiled by the Labour Bureau for selected industries since 1969.

3. Is Labour Bureau the only agency to release Wage Rate Index Numbers?

Yes, Labour Bureau is the only agency/Departments in the country, which is compiling and releasing data on Absolute Wage Rate, Wage Rate Indices and Real Wage Rate at Industry/Stratum level. There is no other agency, which is disseminating such valuable information.

4. Which Year is taken as base year while compiling Wage Rate Indices?

The present Wage Rate Indices are being compiled on the base year 2016 = 100.

5. What is the main criteria for selecting an industry for compilation of Wage Rate Index?

The selection of industries was based on the criteria of Employment, Wage Patterns, Size of Employment in industrial units and importance of an industry in the national economy.

6. What is the overall industrial coverage of the scheme?

At present the Wage Rate Indices are being compiled for 37 industries (30 manufacturing industries, 4 mining industries and 3 plantation industries) on base 2016 =100.

In New WRI series with base 2016 = 100, the Manufacturing, Mining and Plantation sector have weights of 82.57 percent, 11.23 percent and 6.20 percent respectively.

7. What data is taken into consideration for the purpose of construction of Wage Rate Index numbers?

For the purpose of construction of Wage Rate Index numbers, the wage rate has been taken as the sum of basic wage and dearness allowance in respect of workers who receive both these components, while for other workers, the actual consolidated amount of earnings represents this wage rate.

8. What mode is adopted to collect information regarding wage rate data from sample units?

The wage rate data are collected from the sample units in each of the selected industries through mailed questionnaire / field visits and relates to the month of January & July of each year. The data is collected only for Manual workers. Personal visits are also made to the non-responding sample establishments, in case the data is not received in time.

9. What is the procedure for compiling Wage Rate Index Numbers?

For compiling the Wage Rate Index Numbers, requisite data on minimum and maximum wage rates, which is defined as basic wage plus dearness allowance, wherever paid separately, are being collected for the month of January & July every year. The indices are generated using the Laspeyre's formula, which is the ratio of the weighted average of wages of the current year to wages of the base year, employment in the base year as weights.

10. What are the objectives of this scheme?

The main objectives of this scheme are as under: -

1. To collect, compile, disseminate and facilitate study and analysis of inter industry/intra-industry and stratum-wise variation and disparities in Wage Rate Index Numbers.
2. To compile and disseminate Absolute Wage Rate and Real Wage Rate over a period of time.
3. To study the disparity in Wage Rate Index, Absolute Wage Rate and Real Wage Rate, and publish the same in Indian labour Journal published by Labour Bureau.
4. To supply data for various publications of Bureau and Ministry of Labour & Employment.
5. To supply data for replying Parliament Questions and other users.