

## DETERMINANTS OF WAGE IN INDIAN MANUFACTURING SECTOR

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### ABSTRACT

India, as a welfare state, is committed to secure for its working population social and economic justice, which can be achieved through the formulation of an appropriate wage policy. In India, the wage policy has endeavoured to strike a balance between the welfare and protection of the working class on one the hand and achievement of over-riding macro level objectives like higher rate of capital formation reduction of poverty etc.,

A wage is compensation, usually financial received by workers in exchange for their labour. Compensation in terms of wages is given to workers and compensation in terms of salary is given to employees. Compensation is a monetary benefit given to employees in return for the services provided by them.

The promotion of economic growth and development and maintenance of sound industrial relations are closely linked to the pattern and level of wages in various sectors of the economy. Rate of employment, productivity and prices undergo change as a result of variations in wages. In the changing system of consumption, production and distribution, the economic environment is, by and large considered to be the guiding factor for the practitioners in determining wages. The various elements of the internal and external character of society and institutional interests play very important role and affect the level of wages. Hence, an attempt was made in the study on determinants of wage in Indian manufacturing sector.