

Confédération des Travailleurs des Secteurs Publique et Privé

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Proposal of the C.T.S.P. for Salary Compensation

1. Facts on the Minimum Wage

- On 1st of May 2023 the C.T.S.P launched a campaign that the Minimum wage ought to be increased to Rs 15,000.
- The C.T.S.P supported its demand through a Price Survey on a food basket that was introduced by the C.T.S.P in 2006 representing a low middle-income family of 2 adults and 2 children.
- The demand of the C.T.S.P was supported by factual evidence. Prices of commodities and services have increased because of high inflation and scarcity of certain food items due to war at global level namely Ukraine/Russia war.
- The minimum wage represents a food security. However, because of legal constraints Rs 15,000 became a minimum guaranteed remuneration **instead** of a minimum wage.
- The C.T.S.P therefore, maintains that the National Minimum Wage ought to be Rs 15,000.

2. <u>Compensation for loss in purchasing power</u>

- The last Household Budget Survey (H.B.S) was done in 2017 defining an average monthly expenditure for a household of 2 adults and 2 children.
- The updated amount as average monthly expenditure up to 2023 based on the consumption pattern of 2017 is Rs 37,850 for a family of 2 adults and 2 children representing 1.4 bread earner.
- The monthly expenditure for 1 bread earner is

 $\frac{37,850}{1.4}$ x 1.0 = Rs 27, 035 representing the LIVING WAGE for 1 bread earner.

• The forecasted inflation for calendar year 2023 is **7.2%**. Therefore, a full compensation :

on living wage 27,035 x 7.2 = 1,946

On minimum wage (representing food security) $15,000 \times 7.2 = 1,080$

• The C.T.S.P in a spirit of compromise is proposing $1946 + 1080 = \frac{3026}{2} = 1513$

In order to allow workers at the lowest rang of the ladder to catch-up, the C.T.S.P is proposing an across-the-board increase of $\underline{\text{Rs 1513}}$ as salary compensation.

Mr. Reeaz Chuttoo President - C.T.S. P Ms. Jane Ragoo <u>General Secretary – C.T.S.P</u> 20.11.2023