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**EDITORIAL ANALYSIS**

# Noida Labour Unrest: Wage Stagnation, the OSH Code Gap, and the Subsistence Crisis

INDIAN EXPRESS

18 April 2026

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# Noida Labour Unrest: Wage Stagnation, the OSH Code Gap, and the Subsistence Crisis

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 The Indian Express

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## INTERVIEW ANGLE



"Recent Noida factory worker protests reflect a decade-long wage stagnation crisis where basic minimum wages remained unrevised (Haryana 2015, UP 2014) despite double-digit inflation. The Indian Express argues that inadequate minimum-wage formulas — underestimating housing costs and using outdated inflation indices — have created subsistence crises across India's industrial corridors (Barauni, Surat, Manesar, Panipat, and now Noida). With the four Labour Codes operational since 2025, why has wage policy not adjusted?"

 Source: [Original editorial](#)
[The Indian Express](#)

## EDITORIAL SUMMARY

Indian Express examines how decade-long wage stagnation in Haryana (2015) and UP (2014), outdated wage formulas (1950s housing allocation), weak Labour Department enforcement, and incomplete Code on Wages and OSH Code implementation have created a systemic subsistence crisis manifesting in Noida, Manesar, Surat, Barauni, Panipat unrest. Calls for formula revision, inspectorate strengthening, digital monitoring, OSH Code acceleration, and living wage transition.

## WAGE STAGNATION — LAST REVISION YEARS

STATE	BASIC MINIMUM WAGE LAST REVISED
Haryana	2015
Uttar Pradesh	2014
Punjab	2017
Maharashtra	2018
Karnataka	2019

Note: VDA partial revisions occur, but base structures remain outdated

## THE WAGE FORMULA DISTORTION

COMPONENT	FORMULA ALLOCATION	ACTUAL URBAN INDUSTRIAL COST
Food	50-60%	30-35%
Clothing	5-10%	5-7%
Housing	<b>10%</b>	<b>30-50%</b>
Education	5%	8-12%
Healthcare	5-8%	10-15%
Transport, utilities, miscellaneous	balance	balance

## THE FOUR LABOUR CODES (OPERATIONAL FROM NOVEMBER 21, 2025)

CODE	YEAR	CONSOLIDATED S	KEY ISSUE
Code on Wages	2019	4 statutes	National Floor Wage at ₹178/day; state notification gap
Industrial Relations Code	2020	3 statutes	Layoff threshold 100→300 workers (contested)
Code on Social Security	2020	9 statutes	Gig worker coverage; portability gap
OSH Code	2020	13 statutes	Factory safety; state rule notification incomplete

## RECENT INDUSTRIAL UNREST PATTERN

LOCATION	YEAR	SECTOR	TRIGGER
Maruti Suzuki Manesar	2024	Auto	Wages, working conditions
Diamond Polishing Surat	2024	Gems	Wage cuts, layoffs
Barauni Refinery	2025	Petroleum	Contractor wages
Panipat Textiles	2025	Textiles	Minimum wage non-payment
<b>Noida Factories</b>	<b>April 2026</b>	<b>Multi-sector</b>	<b>Wage stagnation</b>

## UPSC RELEVANCE

PAPER	ANGLE
GS3 — Economy	Minimum wage governance, Code on Wages 2019, National Floor Wage, four Labour Codes
GS3 — Economy	Manufacturing competitiveness vs wage subsistence, Make in India, PLI, China+1 supply chain
GS2 — Governance	Centre-state labour coordination, Labour Department inspectorate, OSH Code state rules
GS2 — Social Justice	Decent work, ILO standards, SDG 8, living wage transition
GS3 — Economy	15th ILC formula, Justice Divatia Committee, CPI-IW, VDA, urban housing cost crisis
Mains Keywords	Code on Wages 2019, OSH Code 2020, four Labour Codes, National Floor Wage ₹178/day, 15th Indian Labour Conference 1957, Justice Divatia Committee, CPI-IW, VDA, Decent Work ILO, SDG 8, living wage, Maruti Manesar 2024, Surat diamond 2024, Barauni 2025, Panipat 2025, Noida 2026

### • KEY ARGUMENTS AT A GLANCE

The April 2026 Noida factory worker protests — following similar unrest in Manesar (2024), Surat (2024), Barauni (2025), and Panipat (2025) — reflect not isolated labour disputes but a systemic minimum-wage governance failure: basic wages unrevised for over a decade in major industrial states (Haryana 2015, UP 2014), wage formulas that allocate only 10% to housing when actual urban housing costs consume one-third to one-half of income, and weak Labour Department enforcement that allows actual wages to remain below even legally-notified minimums; the four Labour Codes that became effective in November 2025 have not yet addressed these structural gaps.



**SUPPORTING**

- Basic minimum wage components were last substantively revised in **Haryana in 2015** and **Uttar Pradesh in 2014** — a decade of stagnation while CPI-Industrial Workers (CPI-IW) has risen 60-80% over the same period. Variable Dearness Allowance (VDA) revisions partially compensate but base structures remain outdated.
- The **15th Indian Labour Conference (1957)** Anand Vihar Committee formula and subsequent **Tripartite Committee on Fair Wages (Justice Divatia)** recommendations contemplate housing as 10% of wage allocation — based on 1950s-1960s rural-industrial housing assumptions. Actual urban housing costs (rent + utilities) consume 30-50% of industrial worker income in Noida, Gurugram, Manesar, Mumbai, Bengaluru.
- The **Code on Wages, 2019** (effective November 21, 2025) introduced the **National Floor Wage** concept — a national baseline below which no state can set its minimum wage. However, the National Floor Wage was set at ₹178/day in 2024 (around ₹5,300/month for 30 days) — well below subsistence in metropolitan industrial corridors.
- Following Noida unrest, **Haryana raised wages 35%** and **UP raised by 21%** — large increases that confirm previous minimums were structurally inadequate. Pattern observed across multiple states and sectors indicates this is not isolated to specific factories but reflects systemic underpricing of labour in Indian industrial corridors.

### COUNTER

Some argue that aggressive minimum wage increases threaten manufacturing competitiveness — particularly against Bangladesh, Vietnam, Cambodia, where wages are lower. The Make in India and PLI strategies depend on labour cost advantage; raising minimum wages could deter FDI and slow employment generation in the very sectors that need to absorb 14.6 crore young workers entering the labour market over the next decade. The Code on Wages already provides for state-level discretion in setting minimums above the National Floor Wage; using floor wages alone may not be the appropriate policy lever.

### WAY FORWARD

Six-pillar reform: (1) **Wage formula revision** — update the 15th ILC formula to reflect actual urban housing costs (30-40% allocation), accurate inflation index choice (CPI-Urban or CPI-Industrial Workers based on sectoral context), and family-size realities; (2) **Labour Department capacity-building** — fill 30%+ inspector vacancies, deploy mobile inspection units, increase compliance penalties; (3) **Digital wage portal** — mandatory employer reporting on a Labour Department portal allowing real-time monitoring and worker grievance redressal; (4) **Tripartite revision mechanism** — annual wage revision through formal Indian Labour Conference (ILC) consultation rather than ad-hoc state notifications; (5) **OSH Code 2020 implementation** — accelerate state-level rule notification, particularly

for factory safety, working hours, and worker welfare; (6) **Living wage transition** — beyond minimum wage, establish a “living wage” framework that includes housing, education, healthcare costs in calculation — aligned with ILO Decent Work agenda and SDG 8.

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### MAINS ANSWER FRAMEWORK

#### QUESTION

*Recent labour unrest across India's industrial corridors reflects systemic problems with India's minimum-wage governance. Critically examine the structural reasons for wage stagnation, the implementation gap of the four Labour Codes, and suggest comprehensive reform to align wages with subsistence and dignity. (250 words)*

#### INTRODUCTION

The April 2026 Noida factory worker protests — following similar unrest at Maruti Suzuki Manesar (2024), diamond polishing units in Surat (2024), Barauni Refinery contractors (2025), and Panipat textile workers (2025) — reflect a systemic minimum-wage governance crisis that the four Labour Codes operational since November 21, 2025 have not yet addressed. The Indian Express editorial argues that decade-long wage stagnation in major industrial states (Haryana 2015, UP 2014 last revisions), formulas that underestimate housing costs, and weak enforcement have produced a subsistence crisis disguised as isolated labour disputes.

#### BODY

**The wage stagnation pattern:** Basic minimum wage components in Haryana were last substantively revised in 2015; in Uttar Pradesh in 2014 — a decade of stagnation while CPI-Industrial Workers has risen 60-80%. Variable Dearness Allowance (VDA) revisions partially compensate but base structures remain outdated.

Following Noida unrest, Haryana raised wages 35% and UP raised by 21% — confirming structural underpricing. **The wage formula problem:** The historic 15th Indian Labour Conference (1957) formula, adapted by the Tripartite Committee on Fair Wages (Justice Divatia), allocates housing at 10% of wage — reflecting 1950s assumptions. Actual urban housing in Noida, Gurugram, Manesar, Mumbai, Bengaluru consumes 30-50% of industrial worker income.

The formula's inflation index choice (often using rural baskets for industrial workers) further

underestimates real cost-of-living increases. **The Code on Wages 2019 framework:** Effective November 21, 2025, the Code consolidated four prior wage statutes (Minimum Wages Act 1948, Payment of Wages Act 1936, Payment of Bonus Act 1965, Equal Remuneration Act 1976). It introduces: National Floor Wage (currently ₹178/day, ~₹5,300/month — far below metropolitan subsistence); universal minimum wage coverage including domestic workers, agricultural workers, and unorganised sector; statutory bonus and equal remuneration provisions.

However, state-level notification of revised minimums under the Code has been uneven and politically constrained. **The OSH Code 2020 gap:** The Occupational Safety, Health and Working Conditions Code (OSH Code) — also operational from November 21, 2025 — consolidated 13 central labour statutes including the Factories Act 1948. State rule notifications have lagged; factory inspector vacancies remain at 30%+; mandatory third-party safety audits are not consistently implemented.

The Vedanta Sterlite Sakti boiler explosion (April 14, 2026) that killed 14 workers is a recent reminder of OSH Code implementation gaps. **The macro-economic dimension:** India faces a paradox — manufacturing growth requires competitive wages (vs Bangladesh, Vietnam) but social stability requires subsistence wages. The Make in India and PLI schemes have created formal-sector jobs but at wage levels that struggle to support urban worker families.

The 14.6 crore young workers entering the labour market over the next decade make this question fundamental to India's social and political stability. **The international labour standards context:** The ILO Decent Work agenda and SDG 8 (decent work and economic growth) provide normative frameworks. Many developing economies including Vietnam, Indonesia, Brazil have moved toward "living wage" concepts that include housing, healthcare, education costs in calculation — beyond minimum subsistence wage.

India lags on this transition.

### CONCLUSION

Reforming India's minimum-wage governance requires comprehensive action across formula, enforcement, implementation, and conceptual frameworks. Immediate steps: revise the wage formula to reflect actual urban housing costs; strengthen Labour Department inspectorate capacity; deploy a digital wage portal for employer compliance reporting; establish annual tripartite wage revision through the Indian Labour Conference.

Medium-term: accelerate OSH Code state-level rule notification; transition from minimum wage to living wage framework. Long-term: align with ILO Decent Work and SDG 8 normative frameworks.

Without these reforms, isolated unrest at Noida, Manesar, Surat, Barauni, Panipat will continue to flare into wider industrial instability — undermining the Make in India ambition itself.

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