

Case Studies, Success Stories, and Good Practices implemented by the M/o Labour and Employment for improving EoDB in India .

1. Background and Policy Context:

The Ministry of Labour and Employment (MoLE) has undertaken a series of comprehensive reforms aimed at improving the ease of doing business in India while ensuring that labour welfare, occupational safety, and social security standards are not compromised.

2. Codification of 29 Central Laws into four Labour Codes:

The four Labour Codes viz., the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020 have been enacted after simplification, amalgamation and rationalization of 29 existing Central Labour Acts. **Salient Features of Labour Codes**

- **Uniform Definitions:** Wages, Employee, Worker etc.
- **Leveraging technology:** Electronic forms, registers and returns
- **Randomized Web-based Inspection System**
- **Flexibility in fixing working & overtime hours**
- **Ease of compliance under Employees' Provident Fund (EPF)-**
 - Limitation period of 5 years for inquiry in past cases;
 - Assessment orders within 2 years;
 - Power to reopen cases on suo-moto basis abolished;
 - Appeal deposit amount reduced from 75% to 25% of assessed liability etc.
- **Higher Thresholds**
 - Contract labour: 20 → 50 workers
 - Factories with power: 10 → 20 workers
 - Factories without power: 20 → 40 workers
- **Simplified Compliance**
 - Single All-India License valid for 5 Years
 - Deemed approval & renewal of licenses
- **Third-Party Certification for start-ups and class of establishments.**

3. Shram Suvidha Portal – A Unified Compliance Framework:

Shram Suvidha Portal integrates multiple labour enforcement agencies such as EPFO, ESIC, DGMS, and the Office of the Chief Labour Commissioner (Central) into a single digital platform. Labour Identification Number (LIN) has provided establishments with a unified identity across various labour laws, eliminating duplication of registration numbers. The portal facilitates online registration, submission of unified annual returns, and a transparent inspection mechanism based on risk-based computerized selection.

4. Digitization of EPFO and ESIC Services:

Employer registration processes have been made fully online, with real-time generation of registration numbers and elimination of physical interface. The introduction of the Unified Electronic Challan-cum-Return (ECR) system has enabled seamless filing of returns and payment of statutory contributions through a single interface. Further, the Universal Account Number (UAN) system ensures portability of provident fund accounts, while automated claim settlement processes have enhanced service delivery and reduced administrative burden on employers.

5. Self-Certification Regime for Start-ups and MSMEs:

The Ministry has introduced a self-certification based compliance regime for Start-ups and MSMEs. Under this framework, eligible start-ups are exempted from inspections under specified labour laws during the initial years of operation, subject to self-declaration of compliance. Inspections are permitted only in cases of credible complaints and with prior approval of competent authorities. Similarly, MSMEs are allowed to file combined self-certified returns and are subject to inspections based on risk-based criteria.

6. Overall Impact on Ease of Doing Business:

The cumulative impact of these reforms has been substantial in improving India's business environment. The initiatives have reduced compliance costs, minimized physical interface with authorities, enhanced transparency in enforcement, and fostered a culture of trust-based regulation. The adoption of digital platforms and risk-based inspection systems has curtailed arbitrariness and improved predictability in regulatory processes. At the same time, the Ministry has ensured that labour welfare and social security objectives are upheld through strengthened and technology-enabled enforcement mechanisms.