A Law and Economics Analysis of Digital Labour Compliance under India's Labour Codes: Assessing the Impact on MSMEs in Gujarat

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ABSTRACT The four Labour Codes enacted between 2019 and 2020 (Code on Wages, Industrial Relations Code, Code on Social Security and Occupational Safety, Health and Working Conditions (OSH) Code) are the most significant consolidation of India's labour law since Independence. A major aspect of this reform will be the implementation of an online inspection system for MLAs, where inspections will be carried out in a random and risk-based way, instead of the traditional way of physical inspections. Further, regular physical inspections will be replaced by a self-certification process of establishments specifically for Micro, Small and Medium Enterprises (MSMEs) to certify compliance in a single electronic return. The paper has focused and explored the legal framework of such a digitization – Shram Suvidha Portal, Unique Labour Identification Number (LIN), Inspector-cum-Facilitator scheme and the self-certification advisory applicable in MSMEs in initial years of operation and has assessed the impact it has made on MSMEs in Gujarat where they contribute to a significant number of registered MSMEs in the country. The paper uses a doctrinal analysis of the provisions in the Act and Regulations to conclude that, after digitization, the compliance burden, transaction costs and scope for discretion in enforcement faced by MSMEs in Gujarat has measurably reduced, but it has also increased risks of reduced physical verification of hazardous micro-units, low digital literacy among small MSMEs proprietors, infrastructural gaps in industrial clusters and possible reduction of enforcement against wage and safety related violations beyond self-certification. The paper points to a lacuna in the lack of empirical evaluation of digitized labour compliance in Gujarat and offers recommendations to calibrate digitization to ensure that the ease of doing business is not compromised, while maintaining the protection of workers. Keywords: Labour Codes 2019-2020, Shram Suvidha Portal, Self Certification, Online inspection, MSME, Gujarat, OSH Code, ease of doing business.

1. INTRODUCTION For centuries, India's labour law landscape had been decentralised, consisting of 29 central laws that were introduced at various times, and each had a different interpretation of the term "employer", which was particularly onerous for small employers, given the numerous registrations required, the multiple returns to be submitted, the lack of uniformity in the laws, and the discretionary physical inspection. The second National Commission on Labour (2002) had suggested the amalgamation of these laws in lesser codes to rid of multiplicity. During this period (2019–2020), Parliament adopted four Labour Codes: Code on Wages 2019, Code on Industrial Relations 2020, Code

on Social Security 2020 and Code on Occupational Safety, Health and Working Conditions 2020. One characteristic of these Codes, and of the reforms to ease the burden of doing business that went before them, is that the compliance and inspection role has been digitized. The old inspection system, where small businesses were targeted for rent-seeking and harassment, and was commonly called the 'inspector raj' is now being replaced by a web-based, random, risk criteria inspection system, and a self-certification system will allow establishments and particularly MSMEs to submit a single electronic return rather than regular inspections. This shift is significant for Gujarat, a state with a significant industrial economy, which relies on micro, small and medium enterprises in various industrial pockets – from textiles, ceramics, chemicals, engineering and diamond processing industries. Gujarat contributes to having one of the highest proportion of MSMEs in India and also has a contribution towards employment generation in MSMEs in the western region of the country. This paper explores the implications of the shift of compliance from the Labour Codes and how it is a practical advantage for the MSMEs in Gujarat as compared to the unabated compliance burden and how it has been achieved at the cost of workers' protections.

2. LITERATURE REVIEW Literature review on Indian labour law reform can be clubbed into three major themes which are germane to the present study. Firstly, doctrinal and policy commentary on the Labour Codes themselves. PRS Legislative Research has looked at the legislative history of the four Codes in the context of the Bills for 2019 and 2020, identifying provisions in the successive drafts of the Code, and any issues observed including the absence of any provision for civil court jurisdiction in the OSH Code, and the rationalisation of the penalty and compounding provisions. The government's own explanation for randomised web-based inspection and the model of OSH Inspector-cum-Facilitator is provided in Ministry of Labour and Employment materials, such as Press Information Bureau releases and official FAQs on the OSH Code, in which it is suggested that these measures not only decrease discretion, but also strengthens enforcement. Secondly, prior published work that comes before the Codes of ease of doing business and inspection reform. These inspection provisions, which were added to the OSH Code later on, can be directly linked to two initiatives: the Shram Suvidha Portal of 2014 and the initial year or two of the Ministry advisory issued for acceptance of self certification by MSMEs on six labour laws during their initial years. The unique Labour Identification Number, the consolidated online annual return and mandating that the inspection reports be made available to the portal within forty-eight hours (48 hours) are key features of the Portal, which are aimed at increasing transparency and limiting enforcement discretion. Third, a smaller body of empirical and survey-based literature on MSME compliance burden more broadly, such as industry association and government-appointed committees' estimates of the cost of regulatory compliance for small firms, and Udyam Registration data from the Ministry of MSME and its allied dashboard which quantifies the size, sectoral distribution and formalisation status of MSMEs across Indian states including Gujarat.

In this literature, there are two common themes. Legal commentaries typically discuss the Codes in abstract terms, without reference to the state in which they are applied; ease-of-doing-business literature is typically a calculation of the reduction of costs with which to comply, but not a judgement on the quality of the compliance, or the outcomes for workers. Neither the design nor the implementation of both strands has been evaluated legally in regards to digitized compliance, specific to the Gujarat state and MSME sector. This paper is at that juncture.

3. RESEARCH OBJECTIVES To have a look at the provisions of self certification and web based/randomised inspection in Labour Codes, 2019-2020 particularly OSH Code, 2020 and exemptions

for MSMEs. 2. To understand the institutional arrangement of digitized compliance – Shram Suvidha Portal, U.L.I.N & Inspector-cum-Facilitator scheme and its applicability in Gujarat. 3. To assess the size and profile of MSME Sector as the target group to be regulated for this reform in Gujarat.

4. To check the effect of digitized compliance on MSME compliance cost, time and discretionary inspection in Gujarat. To evaluate if the proposed lower frequency of physical inspection under the self-certification regime impacts the enforcement of wage, safety and welfare laws in the MSME units in Gujarat. To uncover implementation gaps – digital literacy, connectivity and awareness – in the implementation of these reforms by MSMEs in Gujarat. To propose an easy-to-do business, calibrated approach to digitized compliance, that yet protects the workers. Hypotheses: H2: MSMEs in Gujarat have seen a significant reduction in compliance costs and administrative burden for digitization of labour compliance under the Labour Codes. Negative correlation is found between frequency of physical inspection and detection and enforcement of wage violation and safety violation with MSME's operating under self-certification, in Gujarat. There is a high correlation between H3 and H4.H3: Digital literacy and infrastructural readiness are significantly affecting the capacity of Gujarat MSMEs to avail online return and self-certification process. 4. RESEARCH GAP An examination of the doctrinal and policy literature suggests that the following gaps exist and this paper purports to fill these gaps: National-level commentary of the Labour Codes seldom breaks down impact by State, although labour administration and enforcement is largely State-led. The literature on ease of doing business seems to consider compliance-cost reduction from the employer's perspective with limited consideration to the question of whether fewer inspection visits will impact violations that are important to workers in MSME units. Gujarat has a disproportionately large number of registered MSMEs in India but there is not much empirical work on digitization of labour compliance in Gujarat.While Gujarat has a disproportionately high number of MSMEs registered in India, there is a lack of empirical studies on digitisation of labour compliance in particular, and MSME policy studies in general, specific to Gujarat. The literature on Shram Suvidha Portal/self certification schemes is mostly pre-2020 OSH Code literature and has not been reviewed with regard to the relevant provisions in the OSH Code with regard to Inspector-cum-Facilitators and third party audits. This paper aims to address these gaps, first by analysing the provisions of the relevant Code, and second by examining the secondary data from Gujarat and proposing a framework for impact assessment of MSMEs, more empirically.

5. RESEARCH METHODOLOGY The writing approach taken in this paper is doctrinal cum empirical approach. Doctrinal component: The paper discusses provisions of the Code on Wages, 2019, Industrial Relations Code, 2020, Code on Social Security, 2020 and Occupational Safety, Health and Working Conditions Code, 2020 and the advisory dated 22 January 2016 of the Ministry of Labour regarding self-certification of MSMEs and notifications to be issued by Shram Suvidha Portal, for digitised compliance. Secondary empirical component: Data from the Udyam Registration (MSME Ministry) and documents from Shram Suvidha portal, MSME Ministry and Labour and Employment Ministry are used to quantify the scale of MSME sector in Gujarat and design of digitized inspection system. As field survey of MSMEs across Gujarat could not be carried out, Section 9 presents an illustrative primary data collection framework, which elaborates the structure of the questionnaire and the likely response categories of a field survey that might be repeated in the future. In Section 9 illustrative figures are reported and explicitly indicated as such and as 'model data' to demonstrate the framework of analysis, and not as results of a survey conducted. The scientists who want to proceed with this paper are encouraged to use real data collected from the field surveys of MSME cluster level of Ahmedabad, Surat, Rajkot and Vadodara. Sampling frame (empirical extension): Stratified random sampling of 50

respondents in each cluster of the 4 MSMEs clusters in Gujarat namely Textiles (Surat), Ceramics (Morbi), Engineering (Rajkot), Chemicals/Pharmaceuticals (Ankleshwar-Vadodara belt) using micro/small/medium classification based on MSMED Act/ Udyam criteria.

6. LEGAL FRAME GOVERNING DIGITIZED LABOUR COMPLIANCE 7.1. Shram Suvidha Portal & Unique Labour Identification Number Shram Suvidha Portal was launched by the Ministry of Labour and Employment on 16th October 2014, a one-stop web platform to cater the needs of Office of the Chief Labour Commissioner (Central), Directorate General of Mines Safety, Employees Provident Fund Organisation and the Employees State Insurance Corporation. The Portal is designed to perform three basic legal obligations pertinent to this study: Allocate a Unique Labour Identification Number (LIN) to each registered establishment; Facilitate filing of a self-certified and simplified Single Online Return – Common Annual Return (SOCAR) which replaces the filing of separate returns under different laws; Implement a Transparent Labour Inspection Scheme where the inspection reports are posted within the first 48 hours following the inspection and inspections are conducted by a computerised risk-based system. This is said to be required to ensure that individual labour inspectors do not use their discretion in arbitrary and selective targeting of establishments.The purported reason for this design is that it will be replacing case selection at random by labour inspectors with a risk-based case selection algorithm.

7. MSME Self-Certification Advisory The Ministry of Labour and Employment on 19 February 2016 sent an advisory to all the State Governments, Union Territories and Central labour enforcement agencies on a compliance regime under self-certification of MSMEs. This scheme allows MSMEs to apply for self-certification for following compliance of 6 labour laws namely the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Inter-State Migrant Workmen Act, 1979, Payment of Gratuity Act, 1972, Contract Labour (Regulation and Abolition) Act, 1970, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and the Employees' State Insurance Act, 1948 for initial period of 3 years and extended to 5 years after establishment. Very few establishments that are submitting these self-certified returns are being physically checked (as opposed to regular inspection) and are experiencing risk-based verification.

7.1 Occupational Safety, Health and Working Conditions Code 2020. The OSH Code, 2020 consolidates 13 previous key central acts on occupational safety and working conditions, such as the Contract Labour (Regulation and Abolition) Act, 1970 and the Factories Act, 1948. It expands and formalizes the logic of digitization which is embedded in the Shram Suvidha Portal in the context of primary legislation. It has the following main provisions relating to digitization: Replacement of the Inspector with an 'Inspector-cum-Facilitator' who has statutory powers of advice to employers and workers regarding compliance, as well as powers of enforcement. An online inspection structure, based on risk factors but built around a random approach, that would ensure the elimination of the need for individual interventions and decisions regarding inspections. Reduced reliance on direct inspection, by providing for third party inspection and certification of start-up establishments and certain classes of establishments. Single registration, single return and single all-India licences for 5 years with deemed approval in absence of competent authority's action within a stipulated period. Minimised the number of statutory registers from 84 to 8, many of which can be kept electronically. The government's own reasoning, that is in the Ministry of Labour and Employment clarificatory material, is that the changes of the inspection officer to Inspector-cum-Facilitators and the new system of a randomised web-based inspection does not diminish the effectiveness of the enforcement system, as facilitation and creating awareness will be carried out alongside the existing inspection system, which includes inspection on receipt of specific complaints. This document is to outline the applicability thresholds for MSMEs. The applicability thresholds relevant to MSMEs are as below: The OSH Code has thresholds for its general provisions (ten or more workers) and for contract labour provisions (fifty or more contract workers) and inter-State migrant worker provisions (ten or more inter-State migrant workers) that are relatively high. Many of the micro-units are not part of the general inspection and registration framework of the Code, and the digitisation of compliance is a theoretical reform for these micro-units, while it has an immediate impact in this paper when it comes to assessing impact. A significant proportion of Gujarat's micro-enterprises are operated with less than 10 employees. The MSME sector was analyzed in relation to Gujarat.The profile of the MSME sector in Gujarat has been analyzed. MSME sector is one of the largest and diversified industrial units not only in Gujarat but in the country as a whole, which includes various industries like textile (Surat), ceramics (Morbi), diamond processing (Surat), engineering and auto-component (Rajkot), chemicals and pharmaceuticals (Ankleshwar-Vadodara) and agro-processing in Gujarat. The state's ranking in Udyam Registration data is given in Table 1.

Table 1: Gujarat's Share in National MSME (Udyam) Registration

Parameter	Gujarat	All-India Context
Share of total registered MSMEs (Udyam)	≈12.9%	Second-highest after Maharashtra (≈18.6%) among all States/UTs
Regional (Western Region) share of MSMEs	Contributes to ~32% regional share	Western Region (Maharashtra + Gujarat) is the largest MSME region in India
Small and Medium category registrations	Second-highest in India	Behind Maharashtra; ahead of Tamil Nadu
Major clusters	Surat (textiles, diamonds), Morbi (ceramics), Rajkot (engineering), Ankleshwar (chemicals)	—

Source: Ministry of MSME, Udyam Registration data and Udyam Registration Bulletin, Government of India.

Number of students in the class 70 13000 Sharing of total number of registered MSMEs (Udyam) with the States/UTs ≈12.9% (2nd highest after Maharashtra (≈18.6%)) Western Region (Maharashtra + Gujarat) is the largest MSME region in India Regional (Western Region) share of MSMEs - contributes to ~32% regional share Small and Medium category registrations are second highest in India, behind Maharashtra ahead of Tamil Nadu Major clusters are Surat (textiles), Morbi (ceramics), Rajkot (engineering) and Ankleshwar (chemicals) The Share of MSME (Udyam) Registration in Gujarat is shown in Table 1.Table 1 provides Gujarat's Share in MSME (Udyam) Registration. Data from the Ministry of MSME Government of India and Udyam Registration data and Udyam Registration Bulletin. Gujarat's MSME sector is not only large in absolute but also predominantly micro in size and has a large number of micro units, and the Udyam data shows that across states, the majority of the registered MSMEs are in the micro category, organised as proprietary concerns. This structural aspect influences the central issue of the paper, namely, whether a self-certification compliant framework which aims at making digital literacy a condition of compliance is practically feasible for the smallest and least formalised units of India — and Gujarat — or whether it benefits larger, better resourced small and medium enterprises disproportionately.

9. DATA ANALYSIS AND DISCUSSION The complexity of legal design and testing the impact of compliance requirements.9.1 Legal-Design Analysis: Compliance Burden Reduction. Table 2 compares the pre-reform and post-reform situation for an average MSME in Gujarat with regard to the effect of compliance burden due to digitization based on the Shram Suvidha Portal and OSH Code.

Table 2: Pre- and Post-Digitization Compliance Position for a Typical MSME

Compliance Parameter	Pre-Digitization Position	Post-Digitization Position
Registers to be maintained (OSH-covered laws)	Up to 84 separate registers	8 consolidated registers, maintainable electronically
Returns	Separate returns under each applicable Act	Single consolidated online return via Shram Suvidha Portal
Inspection allocation	Inspector discretion	Randomised, risk-based, web-based allocation
Inspection report	Manual, delayed filing	Mandatory upload within 48 hours
MSME initial-years compliance (6 specified laws)	Physical inspection as per routine schedule	Self-certification permitted for 5 years, subject to limited random verification
Registration/licensing	Multiple department-wise approvals	Single registration, single all-India licence (5-year validity), deemed approval on default

Source: Compiled from Ministry of Labour and Employment, Shram Suvidha Portal documentation, and the OSH Code, 2020.

Completed before and after the digitization process, this table provides a snapshot of the status of compliance for an average MSME. Position Pre-Digitization Position Post-Digitization Position Up to 84 separate registers 8 consolidated registers, electronically maintainable (OSH-covered laws) Returns Separate returns under each applicable Act Single consolidated online return via Shram Suvidha Portal For the other category of inspections, the allocation is based on inspector discretion, random, risk-based or web-based.Other category inspections are allocated by inspector discretion, by random selection and risk or by web-based allocation. Manual, delayed filing Manual, delayed filing (mandatory upload within 48 hours). MSME initial-years compliance (6 specified laws) Physical inspection as per routine schedule Self-certification allowed for 5 years, with limited random inspection State registration/licensing Registration/licensing by multiple departments Single registration, single all-India licence (5 year validity) deemed registration on default The following information has been compiled from the documentation from the Ministry of Labour and Employment on Shram Suvidha Portal and OSH Code, 2020.

9.2 Illustrative Empirical Framework: MSME Perception of Digitized Compliance: The following section provides illustrative empirical framework for MSME Perception of Digitized Compliance. The table below provides an illustrative response framework of this kind that should be operationalized on a primary field survey in all the MSME clusters across Gujarat as per the principle of this paper. The figures presented are illustrative and mean to illustrate the analytical structure and should be substituted with field data in any empirical repetition of this study. Table 3: Illustrative Survey Framework — MSME Owner Perception of Digitized Compliance (Indicative Structure, NOT Field Data) Perception Statement Indicative Agreement Category Suggested Measurement Time spent on labour compliance reduced due to self-certification To be measured on Likert scale 1 - 5 Mean score; cross tabulate by unit size (micro/small/medium) Yes / No / Partially Aware – I know of the Shram Suvidha Portal and LIN requirement (Proportion by Cluster / Proportion by Owner's Education Level) Have prepared returns without the help of a consultant (without a consultant's involvement) Yes / No Proportion; correlate with digital literacy indicators Reduced physical inspection has impacted on worker grievance redressal (if applicable): 1—5 (Likert scale) 3.65 (micro units and small/medium units compared) Access to Internet/connectivity is satisfactory for compliance portal Yes / No / Partial Percent by district/cluster The recommended cross-tabulations for future empirical work are: (i) Awareness of self-certification eligibility by enterprise size (micro/small/medium) and by cluster (Surat/Morbi/Rajkot/Ankleshwar) (where the awareness needs to be tested separately); (ii) Awareness of self-certification eligibility by owner's educational attainment (where the awareness needs to be tested separately), and (iii) Worker side perception of effectiveness of grievance redressal (where this perception must be tested separately from a sample of MSME employees, to test H2 separately from the employer's perception).

9.3 Legal Risk Analysis: Enforcement Dilution The government documents on the OSH Code argue that neither the randomised web-based inspection nor the Inspector-cum-Facilitator approach undermines enforcement as inspections can still be targeted to particular complaints and that there is no loss of inspection capability on the part of the facilitator. There are two doctrinal threats to the structure, however, in the paper's doctrinal analysis. First, because self-certification depends on the accuracy of the employer's own statement, there is only a small proportion of units that will be selected at random for verification of the self-certification, which means that the units have a materially smaller statistical probability of being discovered during the initial time of the self-certification period. Second, the OSH Code's civil court exclusion of disputes under the Code from judicial recourse, as noted in PRS Legislative Research's analysis, takes away one pathway to judicial recourse where there was some predecessor statute, narrowing the dispute resolution process to the administrative appellate process provided for in the Code.

10. FINDINGS H1 is supported by legal framework for digitization of compliance (Shram Suvidha Portal, LIN allotment, Consolidated returns and Randomised web based inspection) which clearly reduces the compliance burden in terms of documents and processes on the MSMEs in Gujarat. Self-certification, if it does, benefits only a few selected six labor laws, has limited time (currently 5 years) and only the newer MSME units in Gujarat are covered and not the entire MSME sector. Many of the smallest micro-units are not subject to inspection and registration under the OSH Code, thresholds for general provisions, and for general provisions for contract and migrant workers leave the smallest micro-units uninsured. The lowered probability of detection during the self-certification window, as a direct consequence of the reduced frequency of physical inspections which is part of self-certification and risk-based random verification, means that the detection of non-compliant units has a reduced probability in the self-certification window, which adds support to H2 in the absence of empirical field verification. 15. Majority of MSMEs in Gujarat are likely to be micro and proprietory, so there could be unevenness in the digital literacy/ability to navigate through portals and H3 is a potential possibility, but it requires primary data verification as recommended in Section 9.2. Civil court jurisdiction is

excluded, and this is done to ensure the dispute resolution mechanism for OSH-related matters is placed under an administrative appellate mechanism, whose impact on the MSME workers is yet to be examined through an empirical study on Gujarat.

11. CHALLENGES AND IMPLEMENTATION GAPS There is also a digital divide with the smaller industrial towns and semi-urban clusters in Gujarat may not be digitally literate or comfortable on using online portals to register for LIN, self-certified returns or apply for the online licences, which will also dilute the cost advantage. Awareness gap: The ownership of an MSME and the scope of six laws under the scheme is not apparent from the law itself and with no proactive outreach, an MSME owner might not be able to claim a benefit to which he is entitled and/or claim a benefit in a way that is not consistent with the law. Connectivity and infrastructure: It assumes that every small and scattered micro unit has uniform connectivity as they all have access to internet connection, which may not be uniformly available in all the small units outside the metros. Even the residual verification contemplated by the scheme in the absence of verification capacity can be limited in practice due to inadequate staffing and resources of the State labour departments. • Inspection regime not yet in operation for many of the smallest units: A significant proportion of the registered micro-units in Gujarat are less than 10 workers under OSH Code and must therefore be subject to state-level shops and establishments or other regulation, which is beyond the scope of the reform. Absence of outcome data at the state level: The hypothesis stated in this paper is tested and tried in absence of any published outcome data and disaggregated outcome data prior and after digitization at the state level for MSME in Gujarat.

12. SUGGESTIONS AND RECOMMENDATIONS The Gujarat Labour and Employment Department should at least be required to carry out or commission an outcome data survey for the state at intervals of, say, 5 years or more preferably as a cluster wise field survey (such as described in Section 9.2) to produce outcome data for the state from the literature which is currently non-existent, and then evidence-based change the rate of inspections. Existing infrastructure available to support MSME facilitation like District Industries Centres and Udyam facilitation desks must be leveraged to help achieve digitisation of administrative savings, without the need for paid compliance intermediaries. If the random verification rate for self-certified units is variable and depends on the sector risk (more units in more hazardous-process sectors, such as chemical and ceramics, should be verified than in others), this should be checked every so often. The knowledge of how to avail complaint based inspection channels should be made known to the employees of MSMEs in local language and dialects with the active promotion of complaint based inspection channels, otherwise it is not effective as one of the safeguards under self-certification system. It may be considered to have a worker-centric, transitional verification process such as third-party verification at regular intervals (periodic verification) with worker interviews, which is already proposed for start-ups under the OSH Code, to be expanded to a wider category of MSMEs in the hazardous industry. Empirical research should be done in the future in lieu of doctrinal inferences on the enforcement dilution of provisions of the Code in Gujarat after their implementation, through Right to Information (RTI) applications or the processing of departmental data, statistics on inspections and complaints post Code implementation.

13. CONCLUSION Labour Codes 2019 – 2020 are an intentional change in the law to replace the discretionary physical inspections with a system of self-certification, with random online inspections taking place through the internet and one electronic registration and return. The reform is real and legally verifiable relief from documentary and procedural compliance burden and is relevant to the

MSME sector which is large in size, overwhelmingly micro- and proprietorship driven and plays a key role in the Gujarat manufacturing economy. But, this paper's doctrinal analysis suggests that the benefit is not uniform and may not be free of danger: applicability thresholds will exclude many of the smallest units from the reach of the reform altogether; self-certification will be based on employer declaration and as such the probability of detecting non-compliance will be reduced during the initial exemption period; and the practical realisation of the benefits of digital compliance will depend on digital literacy and infrastructure that cannot be assumed to be present universally across industrial clusters in Gujarat. The main drawback of the literature is the lack of empirical research evidence relating to the outcomes of inspections, the time taken for inspections to be completed and the system in place for the redressal of any grievances from the workers. This paper presents an empirical framework for future field trip in Gujarat to help contribute to the empirical findings that can be used to test the hypotheses proposed by this paper. A calibrated approach, in which the ease-of-doing-business aspects of the Labour Codes are complemented by a risk weighted verification process, and by worker-facing measures of awareness, is the most defensible means to balance these two aspects, equally stated in the Labour Codes.

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