

'Jail for doing biz' report: DPIIT Secy says bulk of trouble due to labour laws, states need to act

Synopsis

"On studying it with the same group of people (the think tank), we found that almost 70 per cent relate to labour laws and as far as Parliament is concerned, they have enacted four Labour Codes. And they have really simplified those laws," Department for Promotion of Industry and Internal Trade secretary Anurag Jain said, speaking at an event organised by IVCA, a lobby group representing the venture investing industry.



The official said startups also need to seize the opportunities which will come the private sector's way with the newly announced Gati Shakti scheme, stressing that there is a scope for innovation in the project.

Jain said, speaking at an event organised by [IVCA](#), a lobby group representing the venture investing industry.

"Now, the next step which is required is state governments adopting the notifications and thereafter a formal notification will be done. So, we expect that to happen a few months down the line," Jain added.

The bureaucrat said we need to work together with the state governments, to ensure that they come on board quickly and the requisite notifications are issued to make it easier for businesses to operate. He also urged IVCA to initiate policy advocacy efforts in the same direction.

In a report released last month, think-tank [Observer Research Foundation](#) backed by richest Indian Mukesh Ambani's Reliance Industries said that among the 69,233 unique compliances that regulate doing business in [India](#), 26,134 clauses have imprisonment clauses as a penalty which means non-compliance with two of five compliances can send an entrepreneur to jail.

Jain said in the last one year, the government has reduced 25,000 cumbersome compliances but was quick to add that it is cognizant of more work to be done on the same.

"Recently, there was an article about 'jailed for doing business'....27,000 laws where a person can be jailed for doing business. We had a close look at it. We are very open that if somebody brings it out to our notice, we need to engage and see how to improve our systems," he said.

Jain also said that the government is separately working on ease of doing business 2.0 framework as well in order to facilitate entrepreneurship.

Meanwhile, Jain said industry players in IVCA can deploy the mandatory 2 per cent corporate social responsibility ([CSR](#)) funding towards honing startups focused on sustainability goals or from the sectors identified as sunrise ones.

He also said that the growing number of Indian unicorns can each adopt one of the 100 districts identified for its backwardness as 'aspirational districts' and take efforts towards making entrepreneurship flourish at such places which are faraway from big cities like Bengaluru and Mumbai which are associated with business.

Jain said he is confident that good quality entrepreneurial talent exists in the smaller towns and cities of the country, and urged the industry to play its part to tap the same. He cited the case of cricket to illustrate the point, and said that the IPL tournament helped deepen the talent discovery and now the Indian team consists of players from different parts beyond what used to be the established base.

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He said the startup ecosystem is key for the India at 2047 development agenda because of its ability to solve problems and also as a centre of wealth creation.

Acknowledging that startups existed even before 2016, when the present Narendra Modi government launched a programme aimed at such enterprises, Jain said that they had not seen such a push from the policy front as it happened after the [Startup India](#) programme.