

Talking Shop: A Study of Shop Licensing Procedures in Mumbai

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This paper dwells on the various aspects and issues concerned with shop licensing in the city of Mumbai. Shops, which form the vital link between producers of any good or service and their consumers, are of importance not only to the above individuals, but also crucial to the millions of people who depend on them as a source of income and employment. It is for this reason that this issue is of seminal importance.

Broadly, this paper deals with the stated rules and regulations governing the opening, running and renewal of shops in the city, and an assessment of the ground realities.

Opening a shop in Mumbai

The various authorities concerned with the operation of shops in Mumbai are as follows:

1. The Shops and Establishments Department (BMC¹) – it regulates conditions of work and employment in the establishment.
2. The Licensing Department (BMC) - regulates trade and storage of items included in Schedule M of the Mumbai Municipal Corporation Act of 1888. They also issue licenses for advertisement hoardings.
3. The Health Department (BMC) - regulates conditions and quality of items of at places offering items of human consumption for sale.
4. The Building and Factory Department (BMC) – regulates the proliferation of shops and commercial establishments in various zones of the city through the Development Control Regulations for Greater Mumbai, 1991 or they might have to apply for commercialisation of their property, all utility rates (water, electricity etc.) are then charged at commercial rates.
5. The Weights and Measures Department (Govt. of Maharashtra) – checks that weights and measures used in shops, conform to set standards.
6. The Mumbai Police – Certain classes of shops are required to obtain a license from the Mumbai Police, which is renewable every year.

All shops wanting to operate within the municipal limits of the city are required to obtain a registration certificate within 30 days of commencement of business. Besides the registration certificate, certain trades, processes and operations (those enlisted in Parts I, II, III and IV of Schedule M of the Mumbai Municipal Corporation Act of 1888) are also required to obtain a license to carry on operations.

Registration of a Shop

The Brihanmumbai Municipal Corporation (BMC) regulates the conditions of work and employment prevailing in shops and other commercial establishments through the process of registration. This certificate of registration is commonly referred to among shopkeepers as a *gumasta* license.

The process of registration has to be done within 30 days of commencement of business. The procedures for registration of an establishment, as specified in the Act are thus:

- The employer has to submit to the Senior Inspector of the concerned Municipal Corporation of Greater Mumbai (MCGM) Ward the fully filled Form 'A' along with the requisite fees and any one of the following documents².
 1. The rent receipt or maintenance bill (if located in a housing society) in the name of the employer, issued by the landlord or society.

¹ Brihanmumbai Municipal Corporation is synonymous with the Municipal Corporation of Greater Mumbai (MCGM)

² Source: <http://www.mcgm.gov.in/Departments/shopest/AboutUs.html>. Accessed on 5 May 2004.

2. A letter of consent from the principal tenant or the owner of the premises if the employer is not the tenant or owner himself.
 3. A valid leave and license agreement between the owner and the occupant.
 4. An affidavit cum Indemnity bond specifically expressing the reason for not producing any of the above documents in addition to the other usual clauses.
 5. An electricity bill of the premises.
 6. A ration card, if the establishment is functioning at a residential place.
 7. A tax bill of the premises.
 8. A premises allotment or occupation certificate, or an order issued by the Government, a semi-government or municipal authority in favour of the employer.
- The employer has also to include some proof of business transaction to show that the business is in existence.
 - Besides, if the establishment or firm is other than a proprietary concern, the partnership deed, memorandum of articles, incorporation certificate or a list of the directors duly signed by a proper authority, as the case may be, is also required to be attached.

The fees³ (per year) for registration of an establishment (as on 15.12.2003) are as under:

Table⁴ 1

S No	Category of Establishment	Fees for Registration (Rs)	Fees for Renewal of Registration (Rs)
1.	Shops and Establishments (S & E) having no employees	100	100
2.	S & E having 1 to 5 employees	300	300
3.	S & E having 6 to 10 employees	600	600
4.	S & E having 11 to 20 employees	1000	1000
5.	S & E having 21 to 50 employees	2000	2000
6.	S & E having 51 to 100 employees	3500	3500
7.	S & E having more than 100 employees	4500	4500

A registration certificate is valid till the end of the year for which it is issued, and may be renewed either for a period of a year or three years, at the option of the employer.

Renewal of a registration⁵

A registration certificate is valid to the end of the year for which it is issued. The employer has to get his registration certificate renewed at least fifteen days before the date of expiry of his registration certificate. For renewal the employer has to apply to the Senior Inspector (Shops and Establishments) of his respective MCGM ward through form 'B', along with the requisite fees (Refer to Table 1). The employer has also to produce, at the time, the original registration certificate.

In addition to the fees prescribed for registration and renewal, the employer has to pay, per year, a sum; three times the registration or renewal fee, as Trade Refuse Charges.

³ Refer to Schedule I under Rule 5 of Maharashtra Shops & Establishments Rules, 1961.

⁴ Source: The Bombay Shops and Establishments Act, 1948; Published by Labour Law Agency, Mumbai.

⁵ Source: <http://www.mcgm.gov.in/Departments/shopest/shopsfunction.html>. Accessed on 5 May 2004.

Besides, the employer has also to notify any changes in information already submitted by filling form 'E' and submitting it to the Senior Inspector of the concerned MCGM ward.

The Bombay Shops and Establishments Act, 1948

The provisions of the Bombay Shops and Establishments Act (S & E Act) are applicable to all shops, commercial establishments, residential hotels and clubs, restaurants, eating houses, theatres and other places of public amusement and entertainment within the Municipal area of Greater Mumbai and others in Maharashtra (except establishments of the Central and State Governments⁶), as specified in Schedule I of the Act.

The provisions of this Act are implemented by the Shops and Establishments Department of the BMC through the Senior Inspectors (Shop and Establishment) located in each MCGM ward and other subordinate inspectors. Besides this Act the department is also responsible for enforcing the provisions of the following Acts⁷:

- a. The Bombay Shops & Establishments Act, 1948.
- b. The Minimum Wages Act, 1948.
- c. The Payment of Wages Act, 1936.
- d. The Workmen's Compensation Act, 1923.
- e. The Industrial Employment (Standing Orders) Act, 1946.
- f. The Maternity Benefit Act, 1961.
- g. The Child Labour (Prohibition and Regulation) Act, 1986.

It deals with various aspects of the functioning of shops. These include the opening and closing hours for shops and commercial establishments, restrictions on the employment of children, conditions for employment of women, health and safety of employees, wages for overtime and grant of leave to employees. A brief summary of these is provided below.

The Bombay Shops and Establishments Act 1948, clearly stipulates the opening and closing hours of various kinds of shops. These are as follows:

Generally, shops are not allowed to be opened before 7 am, but an exception is made in the case of shops dealing wholly in milk, vegetables, fruits, fish, meat, bread and any goods notified by the State Government, which are permitted to be opened at 5 am (S.10)

All shops are required to be shut at the latest by 8.30 pm, however shops selling goods like *paan*, *bidi*, cigarettes, matches and ancillary articles are allowed to remain open up to 11 pm (S.11).

No commercial establishments are allowed to be opened earlier than 8.30 am and close later than 8.30 pm in a day (S.13).

An employee in a shop or commercial establishment cannot be required or allowed to work for more than nine hours in any day and forty-eight hours in any week. An employees may however be allowed to work for any period in excess of the limit fixed provided it does not exceed six hours in any week. An allowance is also made for not more than six days in the year, stipulated by the State Government for activities like accounts, stock taking and settlements, when an employee may be allowed to work in excess of the period fixed, provided it does not exceed twenty-four hours (S.14).

⁶ Refer to Section 4 and Schedule II of Bombay Shops and Establishments Act, 1948 for details.

⁷ Source: <http://www.mcgm.gov.in/Departments/shopest/shopsfunction.html>. Accessed on 5 May 2004.

Penalties for offences committed

The Inspector can impose a penalty ranging from Rs 50 to Rs 500 on the employer for any of the violations of the Act. The range of the fine varies for different types of offences. The Inspector issues a *challan*, which is then deposited in the concerned court.

The Maharashtra Shops and Establishments Rules, 1961

Exercising the powers conferred on it by section 67 of the Bombay Shops and Establishments Act, 1948; the government of Maharashtra made a set of rules in addition to the sections of the Act.

It outlined the specific days in the year on which employees may be required to work in excess of the fixed period as the 31 of March, the 30 of June, the three days preceding the Diwali New Year Day and the 31 of December. On these days the provisions relating to closing hours in sections 11 and 13 of the Act are suspended. (Rule 9)

It requires the employer to give notice to the Inspector (at least 24 hours before such a day, or, if unable, on the same day) within whose jurisdiction the establishment falls when he wishes the employees to work additional overtime. (R.10)

It requires all the inside walls of the rooms and all the ceilings and tops of such rooms (whether plastered or not) and all the passages and staircases to be lime-washed or colour-washed at least once in every two years, unless in the opinion of the local authority, they are required to do so before the expiry of the period of two-years (R.12 1a).

It also requires all beams, rafters, doors, window frames and other woodwork with the exception of the floors to be either painted or varnished once in seven years (R.12 1b).

The dates on which lime-washing, colour-washing, painting or varnishing is carried out have to be entered in a register maintained in a particular format (Form F) and have to be shown to the Inspector when required (R.12 2). It however does make exceptions in certain cases of shops, as in the case of those rooms used only for storage of articles (not in residential hotels, restaurants and eating houses) or walls or tops of rooms that are made of galvanized iron, tiles, asbestos sheets etc. (R.3 a, b and c).

No filth and debris are allowed to accumulate or remain on any premises in an establishment in such position that effluvia can arise from them in the establishment (R.13) Besides the above, the rules also stipulate precautions against fire (R.14), instructions regarding first-aid appliances (R.15), the qualifications of the Inspectors (R.17) and their duties (R.18).

The rules specifically outline that each Inspector has to maintain a diary or file in a particular format (Form G), which he has to submit to the authorities to whom he is subordinate (R.19).

Interestingly, every employer or manager of a shop or commercial establishment has to maintain a register of employment in a stipulated format (Form H, or in Form J, when opening and closing hours and periods of interval for rest are ordinarily uniform) (R.20 1). Every employer or manager of a residential hotel, restaurant, eating house, theatre and other such places has to maintain a register of employment in a prescribed format (Form I, or Form K, when the opening and closing hours and period of interval for rest are uniform) (R.20 2a). He is also required to exhibit in his establishment a notice in a prescribed format (Form L), specifying the day or days of the week on which his employees shall be given a holiday (R.20 2b).

In addition to the above registers, every employer or manager has to maintain a register of leave in a prescribed format (Form M) (R.20 4), and also provide each employee with a book called "Leave Book" in the format of 'Form N' (R.20 5).

Rule 6-A exempts the employer from maintaining the register of employment, the register of leave or providing each employee with the leave book if he maintains a muster roll-cum wage register under sub-rule (1) of rule 27 of the Maharashtra Minimum Wages Rules, 1963.

Rule 7 instructs all employers to display in his establishment a notice containing such extracts of the Act and these rules in either English or Hindi (Devnagiri script) or Gujarati or Marathi (whichever is the language of the majority of the employees). Rule 8 goes on to require the notice to be exhibited in such a manner that it is readily seen and read by any person whom it affects, and also that it be replaced whenever it becomes defaced or illegible.

Under Rule 13 (a) an employer is required to maintain a visit book in which an Inspector visiting the establishment may record his remarks regarding any defects that may come to light at the time of his visit or give directions regarding the production of any documents required to be maintained or produced under the provisions of the Act and the Rules.

Another interesting rule is Rule 20-A that stipulates that the name board of every establishment shall be in Marathi in Devnagiri script. It provides for employers to have the name-board in any other language or languages or script or scripts (in addition to Marathi in Devnagiri script). It however lays down the following conditions, which I have reproduced here from the Act:

- (a) Provided further that, where the name-board in any other language or script (in addition to Marathi, in Devnagiri script) is put up, the lettering of the name-board in Marathi (in Devnagiri Script) shall not be less bold than any other language or script used.
- (b) Provided also that Marathi being the official language of the State, the lettering of the name-board in Marathi (in Devnagiri Script) shall be essentially written in the beginning.

The One Window System

The One Window system was introduced in all 24 wards⁸ of the Municipal Council of Greater Mumbai from 15 August 2001, with a view to bringing in greater efficiency in the system and making it more transparent and efficient. The stated aim of this system was to provide speedy licensing and strict regulation.

Under this system, the shop or establishment owner can settle all his dues at a single window instead of dealing with the various departments individually.

The four subjects that were taken up as a pilot project were:

- (1) Issuance and renewal of Trade/Storage licenses under sections (u/s) 394 of MMC Act.
- (2) Issuance and renewal of Registration Certificates under Shops and Establishments Act 1948.
- (3) Issuance and renewal of Health Licenses u/s 394/412A of MMC Act.
- (4) Issuance and renewal of Factory Permits u/s 390 of MMC Act.

The BMC has also issued a booklet on this new system, which contains general norms for the issue of a license, the procedures for issue of a new license, for renewal of a license, for

⁸ It has been introduced on a full-fledged basis only in the R-North (Dahisar) ward as a pilot project.

transfer of a license and for issue of a supplementary license. As part of its appendices, it includes a list of articles and trades covered by the system, those not covered, the format for application for a new license and a list of requirements by the fire department for these trades.

The Ground Realities

Inspectors and Inspections

The Shops and Establishments Department

After studying the relevant laws and acts, I met with the Inspectors and other authorities concerned with their enforcement to get an understanding of how exactly these rules were enforced on the ground. Given below is a summary of what I gathered from the meetings.

I was informed that the inspectors of the shops and establishment department have no set procedure (proforma or list of questions) by which they check for violations. They are expected to be well versed with the various sections and rules of the concerned Acts, and are expected to know a violation when they see one. The Senior Inspector conceded that no they did not enforce parts of the Act that were considered impractical like those that made the white-washing or painting of the shop premises mandatory at least once in two years and also parts that were difficult to enforce like those than mandated that the premises be 'well-ventilated', as it was practically impossible and too tedious to prove that a particular establishment in poorly ventilated.

As far as violations of rules pertaining to the rights of labour are concerned, like those of employees being worked overtime, the inspector mentioned that they question the employees in the presence of the owner or employer about their hours of work, whether they are provided leave and other such facts. They then proceed to check the necessary registers and books. When I pointed out the fact that an employee would rarely, if ever, admit to any irregularities in his conditions of work in the presence of the employer, the inspector expressed his inability to ascertain the facts in any other way. I was also told that the most common violations that they encountered were those of working beyond the stipulated hours. When I questioned him as to how exactly the inspectors check for these violations, given that these hours lay outside the stipulated hours of work of the inspectors, the inspector said that the concerned inspector adjusts his hours of work accordingly and visits the site accompanied by two independent witnesses at times as late as midnight and 1 a.m. On spotting a violation, the inspector prepares a '*panchnama*'.

The inspector was also extremely critical of the new 'One Window System' that has been introduced by the BMC. He claimed that instead of simplifying procedures, it had only further complicated them. He claimed that earlier when the applicant had to visit each department individually and apply or renew his license, the procedure was a lot quicker than under the new system. This he said was because separate receipts have to be issued for dues of the current year, for any outstanding dues and the dues of the various departments have to be calculated. As a result each applicant ends up spending a considerable amount of time at the counter and there are long, serpentine queues at the time of renewal (which takes place from November to December every year, though the BMC claims that it is trying to make the system more flexible in this respect), defeating the very purpose of the scheme.

The Health Department

The Health department proved to be one of the more elusive departments. It was with great difficulty that I managed to speak to an official in this department. The official in question agreed to talk to me only on the condition of complete anonymity.

As far as procedures for opening a shop requiring a license under this department are concerned, the introduction of the one window system is supposed to have considerably simplified procedures and brought a certain degree of clarity as to the various requirements. The one window system brochure categorically states the space and area requirements for the various kinds of shops. There are however a list of trades that are not covered by this system. These include those of keeping an eating-house, the manufacture and sale of sweetmeats, a bakery and other such places.

In the case of these trades, the concerned official conceded that the process stretches far beyond 3 months (though he could not give me a definite timeframe), due to the various requirements, approvals and several layers of bureaucracy involved.

He also mentioned that food inspectors, who are supposed to check for food adulteration, collect samples from the shops and then send them to the BMC laboratory at Dadar for testing.

I also learnt that the cooks in eating-houses were required to undergo a mandatory medical check to ensure that they are free from certain infectious diseases.

Survey with Shopkeepers

This proved to be by far, the most challenging and perhaps exasperating part of the entire project. I had mistakenly assumed that shopkeepers would be forthcoming with the problems that they face. I attempted to survey various shops across 4 different markets; all with varying profiles, and the one thing that emerged common to all these markets was the extreme reluctance and diffidence on the part of a majority of the shopkeepers to talk about their experiences with the concerned officials. The responses that I receive ranged from blunt orders to leave the shop or on many an occasion a shrug of the shoulders and a reply that they were ignorant about the issue. I also noticed among the shopkeepers, a sense of paranoia when talking about the authorities that they dealt with.

In many a case the shopkeepers were willing to talk about all other issues besides that of their dealings with the officials, and in the odd case when they did mention their experiences, it was followed by a prompt demand that I mention nothing of these experiences in my report. All my attempts at changing the manner in which I posed the questions, the time at which I visited the markets, the way I introduced myself (I frequently posed as a distressed college student doing the survey as part of a college project), or for that matter my attire came to naught.

I did however come across the odd shopkeeper who was willing to talk, and the observations mentioned below are a result of these interactions.

The survey was conducted in the areas of Kalbadevi and Princess Street, the shops neighbouring the Dadar (west) railway station, the shops around Borivali (west) railway station, in the areas adjoining Mohammed Ali Road and Crawford market and in the Girgaum area. Initially, I relied on a questionnaire, but during the latter part of the survey, I would merely strike up a conversation with the shopkeepers, and then later make a note of their

responses. This proved to be more effective, as the sight of a questionnaire did tend to put some shopkeepers on the defensive.

The following is a summary of the broad conclusions that I could draw from my observations and the responses that I received:

- Although the shopkeepers generally adhered to the stipulated hours for opening a shop, this was not the case with the stipulated closing time. For instance, shops that are located near the suburban railway stations admitted that they tend to keep their shops open beyond the stipulated hours as the commuters (who are their customers) tend to return late from work. In other places too the shopkeepers mostly adjusted their hours of work to suit the timings of their customers.
- None of the shopkeepers that I spoke to were aware of the operation of the One Window system for renewal of licenses and registration.
- Although a large number of the shopkeepers claimed that they maintained the required register of employment as required by the Bombay Shops and Establishments Act, 1948, though fewer admitted to maintaining a leave book, while none of them maintained the registers showing when they last painted their shops.
- Nearly all the shops were in violation of Rule 20-A of the Maharashtra Shops and Establishments Rules, 1961. This was because the hoardings bearing the name of the shop did not have either the name of the establishment written in Devnagiri script as bold as the name was written in English or before it. In most cases the name is written in Devnagiri script, but in a tiny or much smaller font.
- All the shopkeepers that I spoke to claimed that they had the required registration documents and licenses. They also claimed that they renew the licenses and registration certificates whenever they are required to do so.
- All shopkeepers conceded, some overtly and others obliquely that illegality exists in every one of the above matters. The extent to which they conceded that this illegality existed varied from case to case.
- The amount that these shopkeepers paid, commonly referred to as '*chai-paani-ka-paisa*', varied according to the size of the shop, and also the nature of the commodity sold there. In many cases the shopkeepers disclosed that the money is usually paid at the time of renewal of license, though there were many cases where this amount was paid on a monthly basis.

The case of a provision store in the Kalbadevi Area

The various licenses/ registrations that this shopkeeper claimed he required were: a registration certificate under the S & E Act, a license from the licensing dept for his shutters (*chapra*), for the hoarding stating the name of his shop, a separate license for the foldable showcases that extended a little beyond his shop and a license from the health department, for storing things like dry fruits and grain.

The shopkeeper mentioned that inspectors from each of the above mentioned departments visited his shop at least once a year. In addition, there were inspectors from the weights and measures department who came to check the weights in use in the shop. There were also visits from inspectors who checked for adulteration of food items.

At times, instead of dealing with the inspectors individually, three or four shops from the locality pay a lump sum amount when they come for inspection. The shopkeepers then split the expense equally. The shopkeeper also mentioned that the inspectors who harassed them the most those from the 'food department' who checked for adulteration or stale food.

When I asked him how much he paid each inspector, given that he had to obtain so many different licenses, he said on an average, he set aside approximately Rs 10,000* a year for bribes and other such payments.

Putting it lightly, he said he imagined he was in a partnership, in which he had no choice but to pay the regular sum every year.

* *This may be a tad exaggerated, as the mean amount paid is roughly about Rs 100 per license per month.*

- There were a few shopkeepers who were extremely candid about their dealings. One such person was actually forthcoming with the details of how he ran his small restaurant, which he claimed, was the practice followed among many others too. He said that although he employed close to 30 people in his restaurant, many of who were delivery boys and some of which ran small errands in the kitchen, he showed officially in his books that he employed only about 15 people. This he said was to avoid the paying provident fund and other benefits to his employees, which he claimed he could not afford to do. He also held that no samples of his food were ever taken by the inspectors from the health department but he did pay them between Rs 1500 – Rs 2000 a year. Besides these he also paid similar amounts to the inspectors of the shops and establishments department and those of the license department (for advertisement hoardings).
- Another interesting fact that I came across in the course of the survey was the fact that several of these shopkeepers relied on influence and on their contacts to get their jobs done. I came across two such instances in the course of my survey.
 - The owner of an ordinary eating-house (with seating for about 20 people), whom I spoke to denied facing any harassment from the authorities. She however admitted that she did give the officials at the local ward office a sum of Rs 1000 at the time of the festive season, which they divided among themselves. Also at the time of renewal of her police license, she admitted to paying a small amount over the required license fee. For instance she said that if the license fee were Rs 80 she would pay them Rs 150 instead. The owner admitted that she and her family knew several of the inspectors in the department personally and also that one of her close relatives had formerly held a very senior post in the Mumbai Police.
 - In another case, the owner of a shop in Dadar market did also relate a similar incident. The problem in his case arose when he had to transfer the license from the name of his deceased father to that of his mother. One of the officials at the concerned shops and establishments department was delaying the task, and demanding a bribe for completing the job. The owner then approached a local municipal councillor, who got the task completed immediately! In another instance, he claimed that a couple of inspectors were harassing several shopkeepers in the market. The President of the local Trader's Association who knew the then local MP, Manohar Joshi well, and asked him to intervene. After Manohar Joshi's intervention, I am told, the inspectors all fell into place.
- A few of the shopkeepers I surveyed mentioned that they did not face any harassment from the authorities. On further questioning, I found that these shopkeepers did pay some amount of money to the officials but interestingly did not regard this as a form of harassment.

Conclusions

There are undoubtedly several beneficiaries from the way in which the current system operates. This includes both officials responsible for the enforcement of the laws and those subject to these laws and part of the system; namely the shopkeepers and owners of the businesses. While the inspectors and other authorities exploit the system to the hilt, the owners of businesses find in it an easy way out from any of their misdoings.

On looking at the macro-picture for the procedures of shop licensing in Mumbai, there are definitely some positive aspects. One of these would certainly be the decentralised way in which the municipality functions, where the city is divided into numerous wards, with a municipal office in each ward with all the necessary departments. This means that one is never too far from a municipal office.

Another positive aspect that I noticed, and this is particularly concerned with the operation of shops in the city, is the introduction of the new One Window system. This system, if properly implemented has the potential to considerably simplify procedures for shopkeepers. It is a different issue, that most of the shopkeepers I spoke to were ignorant about the scheme; it is still an indicator that the BMC is open to the idea of change and reform.

Having said that, there are numerous counts on which the BMC fails miserably, or where their performance leaves a lot to be desired. Discussed below are a few areas that necessitate reforms.

Simplification of rules and regulations and streamlining procedures

Although there are a number of shops that merely require a registration certificate for running their establishment, there are also cases like that of eating houses where a multiplicity of rules and regulations exist. The owner has to cut through numerous levels of red tape and fulfil stringent requirements before he can obtain a license. These, by the admission of some of the concerned officials themselves can take an indefinite amount of time.

There exist frivolous regulations, like those that require that shops be painted at least once in two years, that a register of the date on which this was last done be maintained, in general the insistence on maintaining registers of leave, for refusal of leave, of inspectors visits and of employment, notice before additional overtime is to be worked and the ambiguous provisions that mandate that shops be well lit and ventilated.

It is difficult to understand the exact purpose of some of these regulations, as they are rarely if ever enforced as conceded by the inspectors themselves. In many a case it is extremely difficult to prove that the provisions are being complied with, as in the case of lighting and ventilation of an establishment. They only result in a loss of productivity and serve to encourage high-handedness and corruption on the part of the authorities. The only purpose that this multiplicity of rules serves is to stifle enterprise, reduce efficiency and breed corruption.

Here, it would be worth pointing out that the custom that a shop or business enjoys from his clients is perhaps the most powerful incentive that the owner can be provided. This alone should be enough to ensure that the owner maintains a certain level of quality in his products and maintains a general standard in his establishment.

As far of the role of health inspectors is concerned, it is difficult to argue for their removal in totality (given that public health is at stake), let alone the fact that in practice they are of no real help in protecting public health. However what may prove to be a far more effective and beneficial system would be if there were a system of torts in place, where consumers have recourse to some legal remedies i.e. are able to sue the restaurant or eating house etc. for any harm that it may cause them. Through this system, not only will shopkeepers or restaurant owners face the threat of a monetary penalty, but also the danger of such a case causing serious damage to their reputations and their future earnings.

Closing and Opening hours of establishments

Here it is seen that shops generally adjust their hours of operation to suit their convenience and that of their customers. Legislation in this area is unnecessary, and the provisions that set fixed opening and closing hours for shops and also those that require them to remain shut on fixed days of the week should be dispensed with, given certain reasonable restrictions (like only national holidays being made mandatory). Shopkeepers should be

allowed greater flexibility in choosing their days of operation. The new rules that were recently introduced in Delhi are a case in point. No matter what the laws stipulate, the shopkeepers will operate according to the dictates of the market, i.e. their customers.

Computerisation and extending the scope of the One Window scheme

The One Window scheme introduced by the BMC needs to be carried forward, and implemented in every ward along with computerisation of the various processes. As a short-term solution, this will definitely help simplify procedures.

Besides these, another possible area for reform could include the legislation governing employment of labour in the shops, where shopkeepers are accorded greater freedom in matters of employment and remuneration of labour in their shops. As was seen from my interactions with the shop inspectors, it is virtually impossible for them to ever effectively enforce the numerous rules and laws governing labour. This single move itself can make the inspectors of the shops and establishments department redundant and save the shopkeepers much harassment.