

Recommendations on Labour Laws

By: Anil Gupta, Immediate Past President IIA

- While preparing the approach paper for 11th Five Year Plan for MSME it was recommended that:-
 - Manufacturing Micro Enterprises should be exempted from all Labour Laws except the Minimum Wages Act.
 - A separate and simple legislation on Labour related matters should be enacted for SMEs employing less than 100 workers.

These recommendations have not been implemented as yet though are absolutely necessary for the MSE Sector to grow. If implemented, not only the MSE Sector will grow but the employment in this Sector will increase many fold and the contribution of the Sector in GDP will also go up.

- While simplifying legislation applicable on SMEs employing less than 100 workers in addition to Minimum Wages Act, only Social welfare act may be made applicable.
- For SMEs employing more than 100 workers, we agree with the recommendation made by the Sub-Group on Labour issues.