

No Labour Pain

Three big BJP-ruled states – Gujarat, Madhya Pradesh and Uttar Pradesh – announced significant labour reforms allowing businesses to hire and fire, among a host of other measures, to unshackle industry and attract investments. **ET** examines the labour reforms template of these states, which also seems to be part of efforts to lure companies looking to move out of China.

MADHYA PRADESH

1] HIRE & FIRE

- Establishments with up to 100 workers can hire according to needs
- No registration for contractors with 50 labourers

2] THE END OF INSPECTOR RAJ

- No factory inspection for 3 months
- No inspection for firms with less than 50 workers
- Third-party inspection allowed



3] EASIER LICENCES & REGISTRATION

- Registrations and licences to be issued in a day
- Renewal of factory licence once in 10 yrs
- Startups need one-time registration; no renewal

4] SHIFT HOURS

- Raised to 12 hrs from 8 hrs in factories
- Overtime of up to 72 hours permitted; flexibility in changing shifts
- Shops and establishments can operate from 6am till midnight

UTTAR PRADESH

Industry exempted from all labour laws barring the following:

- 1] Building and Other Construction Workers' Act, 1996
- 2] Workmen Compensation Act, 1923
- 3] Bonded Labour System (Abolition) Act, 1976
- 4] A Section of Payment of Wages Act to apply



GUJARAT

New industrial establishments exempted from all labour laws barring the following:

- 1] Minimum Wages Act
- 2] Industrial Safety Rules
- 3] Employees' Compensation Act

• **Ordinance** to roll out benefits that will be available for 1,200 days

- 100% online approvals within 15 days
- 33,000 hectares set aside; land to be allocated in 7 days

WHAT IT MEANS FOR BUSINESS

- 1] Free hand to employers to hire and fire workers | 2] No labour inspection | 3] No role of unions or govt intervention

INDIA INC PLEASED...

- Says this will provide much-needed flexibility
- There will be competition among states for reforms

■ The changes will give immense flexibility to industry in labour practices while giving a huge relief to economic activity.

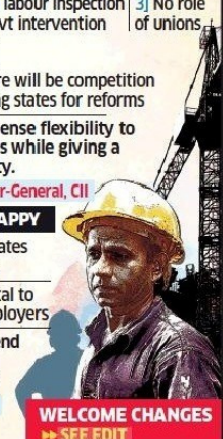
CHANDRAJIT BANERJEE, Director-General, CII

...BUT LABOUR UNIONS UNHAPPY

- Want the Centre to restrain states from introducing such changes
- Say these would be detrimental to workers, give free hand to employers

■ If govt allows states to amend labour laws, it will affect industrial peace in the country.

SAJI NARAYANAN, President, Bharatiya Mazdoor Sangh



WELCOME CHANGES
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