

Labour laws, empowerment hurt SMEs

South Africa's labour laws, inflexible labour legislation and the country's broad-based black economic empowerment are contributing to the failure of small and medium enterprises according to *Fin24*.

It quotes Chris Darroll, chief executive of research company SBP as saying that the inflexible labour legislation was constraining the growth of companies. *Fin24* goes on to report that more than 500 companies that employ between 10 and 50 people were surveyed for the *2011 SME Growth Index*.

Darroll, according to the *Fin24* report, says that the companies surveyed expressed some anxiety about increased inflexibility if proposed amendments to the labour laws come into effect. Less than half the firms had increased their staff levels in the past five years and less than a third had created new positions this year.

For more:

- *Fin24*: [Fin24 Labour laws, BEE hamper small firms](#)

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