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Reservation of Jobs for Locals

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Karnataka government drafted the “Karnataka State Employment of Local Candidates in the Industries, Factories and Other Establishments Bill, 2024”

- Bill proposed 50% reservation in management and 70% in non-management positions for locals
- Cabinet initially cleared the bill but later "temporarily withheld" it due to industry uproar

How does this bill compare to similar laws in other states?

- Andhra Pradesh (2019), Haryana (2020), and Jharkhand (2023) passed similar bills
- Karnataka bill added **Kannada proficiency** as a criterion for local candidate eligibility
- Haryana and Andhra Pradesh laws were based mainly on residency criteria.
- Punjab and Haryana High Court quashed the Haryana Act in 2023.

What are the underlying reasons for proposing such laws i.e. arguments in favour of such law?

- Resentment among resident workers about jobs being taken by migrant workers who are willing to work for lower wages, undercutting local labor
- Political pressure to address local unemployment concerns
- Desire to protect local cultural and linguistic identity in the workplace
- Response to rapid urbanization and demographic changes in certain regions
- Attempt to address perceived economic disparities between locals and migrants
- May discourage excessive in-migration to urban centers, easing infrastructure and resource pressures
- Such a measure pushes companies to invest in local communities and human resources
- It could encourage skilled locals to stay in their home state instead of migrating elsewhere

What are the criticisms of such laws?

- Unconstitutional
 - Violate equality guaranteed under Article 14 of the Constitution
 - Infringe on freedom under Article 19 of the Constitution
 - Violate Article 16(3), which limits residence-based reservation to public employment and federal laws
- **Promote parochialism** and goes against the spirit of national unity
- May **discourage investment** by creating hurdles for businesses in hiring
- Could lead to a **shortage of skilled workers** in certain sectors
- Potential to create inter-state tensions and "**artificial walls**" within the country
- May hinder **labor mobility** and economic efficiency (balkanisation of labour market in India)
- Could lead to **reciprocal discriminatory policies** by other states
- Fails to address root causes of unemployment and economic disparities
- May violate **international labor standards** and human rights principles
- Could negatively **impact India's image** as a destination for global businesses

What is the way forward?

- **Focus on skill development:** Invest in education and vocational training for local populations by aligning skill development programs with industry needs
- **Encourage corporate social responsibility:** Incentivize companies to invest in local skill development and training programs by promoting partnerships between industries and local educational institutions
- **Strengthen labor laws and enforcement:** Ensure fair wages and working conditions for all workers, both local and migrant. Crack down on exploitative practices that undercut local labor
- **Enhance social integration programs:** Implement programs to promote cultural exchange and understanding between locals and migrants. Address social tensions through community engagement initiatives
- **Strengthen local economies:** Invest in infrastructure and local industries to create more job opportunities. Promote entrepreneurship and small business development
- **Promote balanced regional development:** Implement policies to encourage industrial development in less developed areas. Create economic opportunities to reduce the need for migration

Can you answer the following question?

The recent trend of states enacting laws to reserve jobs for local residents has been met with legal challenges and criticism. Critically examine the constitutional and economic implications of such laws.