Haryana Job Quota

Why in news?

Recently, Punjab and Haryana High Court quashed a law passed by the Haryana government in 2020 that provided 75% reservation in private jobs to residents of the State.

What is the Haryana State Employment of Local Candidates Act about?

- **Reservation-** The Act requires ***private sector*** employers to reserve ***75% of jobs*** that offer a monthly salary of ***less than Rs. 30,000*** for individuals who are domiciled in Haryana.
- **Eligibility-** The Act applies to all private companies, societies, partnership firms, trusts and any person employing 10 or more persons in Haryana or any other entity as may be notified by the Government.
- **Tenure-** The Act will only have effect for *10 years* from the date of its commencement.
- **Exemptions**- An employer may seek an exemption by applying to the *Designated Officer* under the Act, if adequate number of local candidates of the desired skill, qualification or proficiency are not available.
- The Government may also exempt certain industries and has so far exempted new start-ups and Information Technology Enabled Services (ITES) companies, short-term employment, farm labour, domestic work, and promotions and transfers within the State.
- **Registration -** Employers are required to register employees receiving gross monthly salary or wages of less than Rs. 30,000 in the *Haryana Udhyam Memorandum portal* within 3 months of the commencement of the Act.
- **Reporting obligation**- Employers are also required to furnish a quarterly report of local candidates hired and employed during that quarter.
- **Penalty -** An employer who fails to comply with the Act is punishable upon conviction to a fine.

States with Similar Legislation
• **Maharashtra-** *Socially and Economically Backward Classes Act 2018* granted 16% quota to the Marathas, but it was struck by the Supreme Court. • **Karnataka-** It proposed a 70% reservation for the Kannadigas (people who can speak Kannada) in the private sector but the proposal faced opposition from the industry and legal hurdles. • **Andhra Pradesh**- It passed a law in 2019 to provide a *75% reservation* for people who have lived in the State for at least 10 years in the private sector but it was challenged in the High Court. • **Madhya Pradesh**- The State announced a 70% reservation for the locals in the private sector in 2019, but the notification was not issued by the State.

Why High Court quashed Haryana's private quota?

- **Unconstitutional-** The Act infringes and violates *Part III (Fundamental Rights)* of the Constitution.
- Such acts could lead to other States coming up with similar enactments, putting up "artificial walls" throughout India affecting the ***Article 14*** (right to equality).
- The court said the State could not invoke ***Article 16*** (allows the State to make reservations for backward classes in public employment) to justify reservations in the private sector, as it was not a matter of State policy or public interest.
- The State's action of reserving jobs for locals impaired ***Article 19(1) (g)*** (right to freedom of profession, occupation, trade or business to all citizens) and imposed unreasonable restrictions on private employers.
- **Discriminatory**- The law separated people based on their State of residence, and conflicted with the notion of having single citizenship.
- **Protectionism**- It restricts the movement of workers from one State to another by reserving jobs for locals by creating inefficiencies, inequalities, and wastage of human resources.
- **Inspector Raj**- Requiring employers to submit quarterly reports and documents to prove that they were hiring local candidates leads to excess interference by the government in private affairs.
- **Denial of legal remedy**- It barred any legal action against the officers who were enforcing the law, even if they acted in "good faith".
- The court said this tied the employer's hands and violated their right to seek judicial remedy.

What lies ahead?

- Protectionism can have negative effects on labour productivity, output, employment, etc., and will exploit the already vulnerable migrant workers.
- States should ensure that migrant workers have the same labour rights as local workers, which would create a fair and competitive labour market.
- Labour rights such as freedom of association, collective bargaining, non-discrimination, fair remuneration, and safe and healthy working conditions should be protected at any cost.

References

1. Indian Express- Why High Court struck Haryana's job quota
2. The Hindu- Haryana's 75% quota to private sector jobs

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