

Haryana's Private Job Reservation Law

Why in news?

The Haryana government has made some amendments to the Haryana State Employment of Local Candidates Act 2020.

What is the Original Act?

- The Bill was passed by Haryana State Legislative Assembly in November 2020.
- The Act will come into effect on January 15.
- All employer must mandatorily employ 75% local candidates (who is domiciled in State of Haryana) for the posts where the gross monthly salary is not more than Rs. 50,000.
- Employers includes all companies, partnership firms, societies, trusts, limited liability partnership firms and any employer who employs 10 or more employees.
- **Exemptions** - Organisation owned by the central or state government are exempted.
- An employer can claim exemption if the government appointed officers believe that the request seeking exemption holds merit.
- In case of violation he employer can be fined with a minimum Rs. 10,000 to a maximum Rs. 2 lakh.
- This law applies to new recruitments and will not come into effect retrospectively.

What amendments are made?

- Relaxing domicile conditions for local candidates
- Reduced the threshold level from Rs50,000 gross monthly salary to Rs30,000 gross monthly salary for employers.
- Inclusion of a sunset clause where the law will cease after 10 years of enactment.

What is Haryana government's rationale?

- Urbanisation and industrialisation has led to substantial land acquisition in the State, which has historically been an agrarian society.
- This has led to reduction in employment opportunities in agriculture sector for the local youth
- The law will help create new job opportunities for them and also encourage skill development.
- This will reduce dependency of employers in Haryana on migrant workers and improve their efficiencies.

What are the directions given to the employers?

- All employers are directed to register their eligible employees (monthly pay < Rs 30000) on the designated portal within 3 months.
- Any new recruitment in this pay bracket can be initiated only after completing this process.
- File a quarterly report regarding the local candidates employed and appointed in this pay bracket in the previous quarter in the designated portal.

What are the concerns?

- Industry bodies feels that law
 - is discriminatory in nature and against the concept of one nation.
 - will increase their compliance burden especially on MSMEs.
- There is a provision for an exemption if an adequate number of local candidates of desired skill or proficiency are not available for a particular category of jobs.
- But the government can accept or reject the claim or direct the company to train local candidates in the desired skills.
- Workers are predominantly from certain clusters of the country, such as construction, manufacturing and services sector such as hospitality and retail.
- So, availability of workers for specialised jobs such as trades is a concern.

What will be the implications?

- This will impact the business-friendly image of the State, ease of doing business rankings
- Discourage fresh investments by industries in Haryana.
- Rule controlling the internal functioning of a private enterprise will affect its competitiveness and hurt their productivity.
- Several industry bodies have challenged the law in the Punjab and Haryana High Court.

Reference

1. <https://www.thehindubusinessline.com/blexplainer/explainer-whatharyanasprivate-job-reservation-law-entails/article64905459.ece>

