



Growing Trend of Jobs for Locals

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Why in News

Recently, **Haryana** Assembly has passed the **Haryana State Employment of Local Candidates Bill, 2020** to reserve 75% of private-sector jobs in the state for local residents.

It has led to a new **debate on the growing trend of jobs for locals** and the **associated concerns**.

Key Points

- **Provisions of the Bill:**
 - Every employer shall **employ 75% of the local candidates** with respect to such posts where the **gross monthly salary or wages are not more than Rs. 50,000 or as notified by the government**, from time to time.
 - Provided that the local candidates **may be from any district of the State**, but the **employer may, at his option, restrict the employment of local candidates from any district to 10%** of the total number of local candidates.
 - A designated portal shall be made on which local candidates and the employer will have to register and local candidates shall not be eligible to avail the benefit unless they register themselves on the designated portal.
- Once it becomes law, it will **apply to companies, societies, trusts, limited liability partnership firms, partnership firms, etc. located across the state**.
- It has been criticised for **not being in the best interest of the industries** as it will affect the competitiveness of the industries and will lead to **loss of investments in Haryana**.

Jobs For Locals

- **Job Reservation for Locals:**
 - **Nativism, the cry for job protection of locals, has been on a rise recently in India.**
 - Various states have taken similar steps with respect to **job reservation for locals (JRFL)** with the **promised reservations ranging from 30% to the more common range of 70-80%.**
 - The move is applicable to both the government and/or the private sector.
- **Earlier Attempts:**
 - It has been mooted by several parties (ruling or opposition leaders) in States such as Maharashtra (1968 onwards and 2008), Himachal Pradesh (2004), Odisha (2008), Karnataka (2014, 2016, 2019), Andhra Pradesh (2019), Madhya Pradesh (2019).
 - **However, none of these has been implemented** and has remained only on paper **due to lack of implementation mechanism and reluctant attitudes of industries bodies.**
- The Constitution of India **guarantees freedom of movement and consequently employment within India** through several provisions.
 - **Article 14** provides for equality before law irrespective of place of birth.
 - **Article 15** guards against discrimination based on place of birth.
 - **Article 16** guarantees no birthplace-based discrimination in public employment.
 - **Article 19** ensures that citizens can move freely throughout the territory of India.
- **Reasons Behind Such Legislations:**
 - **Vote Bank Politics: Inter-state migrant workers (ISMW)** constitute a sizeable “under-used or un-used” electorate as they **often do not exercise voting rights.** If these workers and potential migrants could be retained through JRFL and provided with jobs, the **parties’ electoral causes will be served.**
 - **Economic Sluggishness:** The native unemployment issue assumes relevance as joblessness has intensified in the context of shrinking government employment.
 - **Increased Incomes and Talent:** JRFL will not only retain talent but also incomes which otherwise will go to “other regions”.
 - **Precondition for Land Acquisition:** Farmers and villagers, who lose their land in the process of land acquisition for industries, keep such preconditions in which industries have to provide jobs to local youth.

- **Impacts:**
 - **Reduced job creation due to deterrence for industries** in a state with such restrictions. This would do **more harm to natives** than actually benefiting them.
 - Such restrictions **may hamper the growth and development prospects** of the respective state as well as the country by **affecting ease of doing business**.
 - Restrictions on labour mobility would **disregard this advantage of the diverse labour pool**, which is a strength of the Indian economy.
 - May **promote aggressive regionalism** and thus a threat to the unity and integrity of India.
 - **Increased risks of labour shortages, rise in unemployment, aggravate wage inflation and worsened regional inequalities** are few other possible impacts.

Way Forward

- The idea of JRFL amounts to carving out 'countries' within a country and is based on a dubious assumption that skills in the local market are omnipresent.
- The best way to grow out of it is to ensure economic recovery and provide enough job opportunities for youths with skill training and proper education as key focus areas, enabling the masses to compete in the free market.
- States need to create a framework where safe interstate **migration** for work is facilitated and fiscal coordination is pursued to enable the portability of social security benefits. If this is done, interstate migration would rise and provide more opportunities to remedy regional disparities.

Source: IE