

Haryana implements 75% reservation for locals in private jobs

Updated: 02 Mar 2021, 09:58 PM IST

- **The government has notified the act in the state gazette effective 2 March**
- **The act extends to the whole of the State and it will be in effect for ten years**

New Delhi: Four months after the state assembly passed a bill, the Haryana government Tuesday notified the act implementing 75% reservation for local people in private jobs with a monthly salary ceiling of Rs. 50,000, that may have consequences on private investment in the state, and adversely impact the cosmopolitan outlook of some of its industrial hubs like Gurgaon.

"I am happy to share that after honourable governor's approval, the 'Haryana State Employment of Local Candidates Act, 2020' is now effected in the entire state, which means 75% of private sector jobs is now reserved for local youths," D.S. Chautala, deputy chief minister of Haryana said in a tweet in Hindi.

The government has notified the act in the state gazette effective 2 March. As per the gazette, "The following Act of the Legislature of the State of Haryana received the assent of the Governor of Haryana on the 26 February 2021 and is hereby published for general information".

The act extends to the whole of the State and it will be in effect for ten years and applies to "all the Companies, Societies, Trusts, Limited Liability Partnership firms, Partnership Firm and any person employing ten or more persons and an entity, as may be notified by the Government, from time to time".

In November, when the assembly had passed the bill, industry leaders had raised doubts over its need, viability, and its negative impact on private investment in the state. "I don't agree with such a reservation policy," R.C. Bhargava, chairman of auto manufacturer Maruti Suzuki India Ltd had told Mint in Nov. "The CII has made a representation to the state saying that such a move will not make industries competitive, and I agree with CII's concerns," Bhargava had said over a telephone interaction.

Haryana has been witnessing high double digit unemployment for several months and according to Centre for Monitoring India Economy, the February unemployment rate in Haryana was over 26% against a national average of less than 7%.

The Haryana government on 5 November passed a bill in the state assembly providing 75% reservation for local candidates in the state with pay ceiling of ₹50,000 per month. The bill says it must be done within three months of the bill becoming law or a fine of between ₹25,000 and ₹1,00,000 may be levied. The bill applies to all private companies, societies, trusts and partnership firms, among others, located in the state.