

Jharkhand's local employment Bill

March 17, 2021

In news: Recently, the state government of Jharkhand has approved an employment policy that requires 75% of private sector jobs up to a salary of Rs 30,000 per month to be reserved for local people

Key provisions of the Jharkhand State Employment of Local Candidates Bill, 2021

- **Private sector jobs covered:** The proposed bill would consider shops, establishments, mines, enterprises, industries, companies, societies, trusts, Limited Liability Partnership firms and any person employing ten or more persons as the private sector and an entity
- **Conditions for employers:** They are required to register employees on a designated portal who are receiving gross monthly salary or wages not more than Rs 30, 000 within three months of this bill coming into force.
- It also mentions that no person should be engaged or employed unless the registration process is complete on the designated portal
- **Conditions for employee:** As per the bill no local candidate will be eligible to avail 75 per cent benefit without registering herself in the designated portal.
- **Definition of locals:** It defines a local candidate as a person who belongs to Jharkhand and is registered on the designated portal.
- **Exemption:** The bill says that the employer may claim exemption where an adequate number of local candidates of the desired skill qualification or proficiency are not available
- However, the company has to apply to the Designated Officer (DO), the Deputy Commissioner of the concerned

district, who will enquire into the attempts made by the employer to recruit local candidates of desired skill, qualification or proficiency.

- The officer may either accept or reject the proposal as well as direct the local employer to train the local candidates as per need.
- **Checks & balances on Employers:** As per the bill the employer will have to furnish a quarterly return about vacancies and employment on the portal which will be examined by an Authorised Officer (AO), who is a District Employment Officer, who can call any records for the purpose of verification.

Penalties:

- There is a general penalty starting from Rs Rs 10,000 to Rs 50, 000.
- The penalty for not registering themselves on the designated portal is Rs 50, 000 and may extend up to Rs 1 lakh and if the contravention continues even after being penalised then the penalty will be Rs 5, 000 per day.
- In contravention of recruiting local candidates, the penalty will fall in the bracket of Rs 50, 000 to Rs 2 lakh and Rs 5000 per day in case the contravention continues and the same is applicable in case the company flouts the exemption rules.
- In case of falsification of records, the penalty will be up to Rs 50, 000 per offence and if the offence is committed again, the penalty will fall under the bracket of Rs two to five lakh.

Other states with such laws

Andhra Pradesh has mandated 75 per cent reservation for locals; Karnataka is toying with the idea of reserving all blue collar jobs for locals; Madhya Pradesh has announced that public employment in the state be reserved for state

residents.

The last time there was such a contagion of domicile-based preferences was in the 1970s, when states such as (along with Jharkhand) Maharashtra, Tamil Nadu, Andhra Pradesh issued circulars directing employers to hire local residents.

Measures taken by states for providing reservation in employment (last five years)

State	Year	Reservation	Sector
Haryana	2020	75% reservation for locals in private industry	In private sector
Andhra Pradesh	2019	75% reservation for locals in industry/factories (including PPP mode)	In private sector
Karnataka	2016	100% reservation for locals in blue-collar jobs (draft)	In private sector
Rajasthan	2019	5% reservation to certain communities	In public employment
Maharashtra	2018	13% reservation to certain communities	In public employment
Telangana	2017	Reservation for backward classes, SC and ST increased to 62%	In public employment