

The Karnataka Bill is a symptom of a larger problem

The Karnataka Reservation Bill has been panned almost universally and also generated so much controversy that the State government was forced to pause it and issue assurances. The Karnataka State Employment of Local Candidates in the Industries, Factories and Other Establishments Bill, 2024, as it is called, mandates 50% and 70% reservation in management categories and non-management categories, respectively.

The Bill, as currently drafted, may be too heavy-handed and some provisions may need a rethink. However, a deeper conversation about the underlying issues – namely, India's exploding jobs crisis and regional socio-economic disparities – is required before knee-jerk dismissal.

The downside of inequitable growth

India has the distinction of being the fastest growing large economy in the world and also has the largest youth population. This would be a happy circumstance if its growth model created large numbers of jobs to productively employ its youth. Instead, the high-end services-led growth model has delinked growth and employment. This situation is long in the making: globalisation, financialisation, and technological advances have allowed capital and a small set of highly-skilled individuals to reap extraordinary benefits, while the working class, globally, has seen an erosion in their ability to earn.

The political repercussions of this trend are reverberating around the world. In developed countries, it manifests, *inter alia*, as a backlash against immigration; in India, it is showing up in part as regionalism and a reaction against inter-State migration. While an argument for immigration has been made in the developed world by liberal parties, it has largely been in utilitarian terms for the host country – in addressing labour shortage for unpleasant jobs, and offsetting aging populations.

While these global trends are significant, the



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The strong reactions to the Bill must induce a serious conversation on the underlying issues – India's exploding jobs crisis and regional socio-economic disparities

situation in India is different and more complicated. The Constitution guarantees freedom of movement and the right to work anywhere in India; domicile requirements of this nature seem to evoke parochialism and militate against national unity.

At the same time, the impetus for local reservations is an attempt by the State political leadership to be responsive to its own electorate. This tension between local aspirations and national unity is, increasingly, a recurring theme in Indian politics, visible in questions of devolution of funds, delimitation, and State domicile requirements.

Issue of accountability

At the crux of this debate is the question of federalism and political accountability. The politics of such initiatives come not from reservation for high-skill positions, but, instead, mass unskilled jobs. It is notable that all local reservation initiatives adopt a graded scale, with near universal reservation for unskilled jobs and at lower levels for higher skill tiers. This raises two critical questions: what impels large-scale migration for unskilled jobs that could easily be done locally? And why is not industry opposition to local reservation limited to high-skill jobs, indicating a preference for migrant workers for unskilled jobs even when locals are willing and able? The answer to the first question is evident: large-scale unskilled migration is not migration by choice but distress migration, resulting from the inability of some State governments to adequately develop their regions. We can, and should, apply a national unity and constitutional lens to citizen migration but it would be intellectually dishonest if it is done to sidestep the question of political accountability for a chronic lack of development.

The response to the second is equally revealing. Industries often prefer migrant workers for unskilled jobs because they are less likely to form unions and thus more easily exploited. This dynamic not only takes away jobs

from local workers but also depresses local wages.

In perspective

There is no question that all States benefit economically and culturally from being part of the larger Indian Union and thus have a responsibility to the entirety of the country and its people. However, the issue at hand is too serious for simplistic rhetoric, political expediency or mere outrage. Instead, the way forward requires a more expansive exercise.

First, there must be a real national debate involving our political class, corporate sector, civil society on urgently addressing India's job crisis. The long-term response cannot be data chicanery, unemployment allowances, or knee-jerk regionalism. Nationally, it is evident that the current skilling and production linked incentive interventions are inadequate to meet the challenge at hand. Similarly, at the State level, the fact that political responsiveness shows up in domicile quotas is indicative of an anxiety about adequately growing the employment pie. Second, we must foreground political accountability for large-scale distress migration and the endemic lack of development in some States. This political accountability must extend to both the State and national leadership. Third, questions of federalism and national unity need both an institutional response and greater political maturity. At a minimum, the atrophied National Development Council needs to be resurrected. Finally, the corporate sector must be held to account for the working standards for unskilled labour instead of allowing it to arbitrage worker precarity for its own profit.

The Karnataka Reservation Bill is a symptom of a much larger problem. While the Bill can be kept in abeyance or rewritten, the underlying issues need to be at the forefront of our discourse and politics. Our response to this challenge will shape the future of India's economic growth, social cohesion, and political stability.

Question -1) Which of the following best describes the primary concern of the Karnataka Reservation Bill as discussed in the passage?

- A) The Bill seeks to provide opportunities to local candidates in the high-skill job sector.
- B) The Bill aims to address regional socio-economic disparities by reserving jobs for local candidates.
- C) The Bill intends to promote national unity by encouraging interstate migration.
- D) The Bill focuses on the employment of local candidates to prevent their migration to other states.

Question -2) According to the passage, what is a significant reason for industries preferring migrant workers for unskilled jobs?

- A) Migrant workers have higher skill levels.
- B) Migrant workers are less likely to form unions and are easier to exploit.
- C) Migrant workers demand higher wages than local workers.
- D) Migrant workers are more efficient than local workers.

Question -3) What is the main criticism of the Bill as outlined in the passage?

- A) The Bill is seen as promoting national unity at the expense of local employment.
- B) The Bill is considered too lenient and ineffective in addressing job reservations.
- C) The Bill is perceived as heavy-handed and requiring a rethink of some provisions.
- D) The Bill is criticized for focusing too much on high-skill job reservations.

Question -4) What does the passage suggest is a broader issue that needs to be addressed beyond the Bill itself?

- A) The lack of high-skill job opportunities in Karnataka.
- B) The constitutional right to freedom of movement within India.
- C) The need for a national debate on India's job crisis and regional development disparities.
- D) The importance of maintaining corporate sector profitability.

Question -5) Why does the author suggest that the issue of local reservations for jobs cannot be dismissed as mere parochialism?

- A) Because it is mandated by the Indian Constitution.
- B) Because it reflects the political leadership's attempt to respond to local electorate needs.
- C) Because it ensures equal opportunities for all states in India.
- D) Because it promotes migration for unskilled jobs.

Question -6) What institutional response does the author suggest is necessary to address issues of federalism and national unity?

- A) Establishing new employment generation programs.
- B) Resurrecting the National Development Council.
- C) Implementing stricter labor laws.
- D) Promoting interstate migration.

Thank you for attempting!!!

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