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**NEW DELHI, Mar 28 (IPS) - -India's left-leaning, United Progressive Alliance (UPA) government has on the anvil controversial legislation that would see jobs reserved for 'dalits' (people socially deemed low caste by birth) in private corporations after a pattern that has long existed in the public sector.**

Opposition to the proposed law is already building up from influential industrialists and others who see it as negative discrimination that would hamper a new drive by Indian companies to become globally competitive. But others see it as essential to a slow but long-standing programme of affirmative action.

Those in favour of the move claim the proposed new law could significantly alter ancient social equations in the country. The basic idea would be to reduce the incidence of not just economic inequality but social injustice as well in India's highly hierarchical society. The fact that the private sector has been providing more employment opportunities than public corporations in recent years, has spurred moves to reserve jobs in entities that are privately owned and controlled.

"The group of ministers, formed to look into the reservation of jobs in the private sector, has prepared a report and the government is exploring the possibility of introducing a bill in this regard," federal minister for social justice Meira Kumar said, last week.

She said the ministers have been consulting trade and business bodies like the Federation of Indian Chambers of Commerce and Industry (FICCI), the Confederation of Indian Industry (CII), the Associated Chambers of Commerce and Industry of India (ASSOCHAM) and representatives of leading private corporate organisations.

Whereas these associations concede that much needs to be done to improve the lot of India's socially underprivileged, their representatives stop short of openly advocating mandatory job reservation.

Kumar, however, claimed that some of India's top entrepreneurs like K. Narayana Murthy of the software giant 'Infosys' and Kumaramangalam Birla of the Aditya Birla Group were in support of reserving jobs. The implications are that thousands of private firms may have to employ a minimum percentage of dalits in proportion to their actual numbers in the country's billion plus population.

"Just look at what the American constitution has done for the Blacks. In any case,

we have been demanding this for a long time. It is good that the Common Minimum Programme of the UPA reflects our concern," India's federal minister for steel, chemicals, and fertilizers, Ram Vilas Paswan said.

Both Paswan and Kumar are from dalit backgrounds and represent the better success socially deprived groups enjoy in the political arena.

Opponents of reservation, on the grounds that it would inhibit merit, include industrialist and CII chief Anand Mahindra who has been quoted as saying: "We need to see how this is to be done. Reservation without reference to merit may have a distorting effect on the private sector. But we are glad that the government is conducting a dialogue on this."

There is no common yardstick to measure the competence or capability of employees in a privately-owned corporate entity and subjectivity enters any assessment processes. But it is impossible to find a private corporation that is controlled or headed by a dalit.

Top leaders of the Congress party, which leads the UPA, such as Digvijay Singh and S. M. Krishna (both have served as provincial chief ministers) have said that such reservation has become inevitable given the expanding role of private companies in the country's economy.

In fact, no political party in India is willing to publicly argue against job reservation in the private sector, given the combined voting power of dalit groups. And this would come in handy if changes to the constitution, which require a two-thirds majority in parliament, become necessary to get the reservations bill through.

Politicians like Mayawati (one word), chief of the Bahujan Samaj Party, which is dedicated to furthering the dalit cause, and Udit Raj, who leads a confederation of dalit associations, are already pushing hard for enactment of legislation mandating reservation.

The 2001 census indicated that the number of those that stand to benefit from reservation to be 250 million, or roughly one-fourth of India's population that year.

If the proposed bill becomes law, one out of four employees in private firms in India may have to be a dalit or a tribal. Currently, very few corporate bodies fulfil this criterion. The 1991 census figures show there were 3.45 percent dalits in the household sector, 7.11 percent in non-household industry (meaning factories), and 3.12 percent in the construction industry.

There are voices in the private sector that feel reservation is not the way for Indian industry to go forward. "I am not in favour of reservation, but the private sector has to create jobs. There has to be some commitment on this," says Sharif

D. Rangnekar, who heads Indiabiz News and Research Services.

He points out that banks and financial institutions fund most private sector enterprises. "They can't only take what they want. We have to give something back to the public at large, but it has to be on merit, not on the basis of caste, religion, gender or poverty," he told IPS in an interview.

The argument often advanced against reservation is that efficiency will suffer. "Efficiency is overrated. If we can afford a Hindu rate of growth (conservative), we can also afford a Hindu rate of efficiency. A five-minute delay in the way things are done will not make a difference in India. The market is throwing up many graduates without jobs. We need to accommodate them," says Rangnekar.

Says Surjit S Bhalla, principal, Oxus Investments: "This is not the day and age for job reservation in private firms even if a section of India's politicians support the move. Even if such a policy may have had some relevance in the 1950s, India has changed a lot since then." He told IPS that the government's moves were not only "retrograde" but "downright stupid".

The Indian bill is based largely on the U.S. model of affirmative action which follows "recruitment by non-discrimination". In that country, there is an Equal Employment Opportunity Commission, which oversees the working of both government and the private organisations and has powers to sue for damages in cases of discrimination.

A minimum of five percent of all purchases made by the U.S. government has to come from suppliers belonging to minority communities. The U.S. law also binds all government contractors to have a certain percentage of their work sub-contracted to minority sub-contractors.

Automobile manufacturers in the U.S. allot auto dealership to African- Americans, native Americans, Asians and Hispanics. This concept was pioneered by private companies in the U.S., with General Motors and Ford implementing it even before the government enacted a law.

In India, the government's petroleum ministry awards lucrative petrol pump dealerships to dalits. Reservation in the private sector would mean that automobile companies like Suzuki, Honda and Mitsubishi will have to hand out car dealerships to dalits too.

Job reservations in the private sector will only partly address the problem of empowering dalits. According to the labour ministry, only 8.7 million people were employed in the private sector in 2004 and, even if the proposed law were to be fully implemented, only 2.5 million (adjusted for growth) additional jobs can be generated for dalits. (END/2006)