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## India mulls private-sector caste quotas

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India has long relied on quotas, or what are known locally as 'reservations', to help redress the profound inequalities generated by Hinduism's caste system, which divides society based on traditional occupations, both high and low, to which individuals are supposed to be born - and never aspire to escape.

But the system - which has so far been confined to the state - could be pushed onto the private sector.

To boost communities on the lower rungs of the caste ladder - and overcome any institutional discrimination they may face, India has set aside quotas for so-called 'backward castes' in the public sphere, including for jobs in government and state-owned enterprises, and places in universities and other educational institutes.

Until now, private industry has been exempted from the reservations that pervade the public sector, and have remained free to hire whomever they choose by whatever criteria they set. That, though, could soon change, with New Delhi stepping up the pressure on companies to do more to hire those from traditionally disadvantaged groups.

India's Congress-led government recently wrote to the country's top business councils suggesting that firms that are benefiting from government incentive schemes could be asked to set aside 5 per cent of their total jobs from those from backward castes.

While such levels are still far below the central government's 27 per cent quota for lower castes in higher education and the nearly 70 percent lower-caste quota in the Tamil Nadu state government, private industry has always resisted any effort to impose quotas, which they say could undermine their competitiveness.

Industry groups are reluctant to discuss the issues of reservation publicly, given the sensitivity of the issue, but also fear that even the imposition of a minimum quota would set a dangerous precedent that could then see lawmakers gradually raise the quota to appease public popular sentiment.

Companies have instead argued that they would undertake voluntary affirmative action. But the government feels that progress is still too slow. By raising the spectre of mandatory quotas, it may be trying to goad Indian companies to take the challenge of diversifying the caste background of their workforce more seriously.

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