

10. EMPLOYMENT

Providing adequate employment opportunities to the increasing labour force is widely considered as the important problem facing the country and increasing attention has been paid for implementing various programmes during the various Five Year Plan periods. It has long been felt that productive employment is not merely a means to the ultimate aims of economic well-being and poverty reduction but is an important end in itself. It is a basic source of human dignity and self-respect. There is concern that employment generation has not been expanding commensurate with the increase in labour force. There is a large addition of educated youth to the labour force every year in addition to the persons seeking off-farm employment in rural areas. All effort is being made to devise strategies to generate employment opportunities both by the Centre and the State.

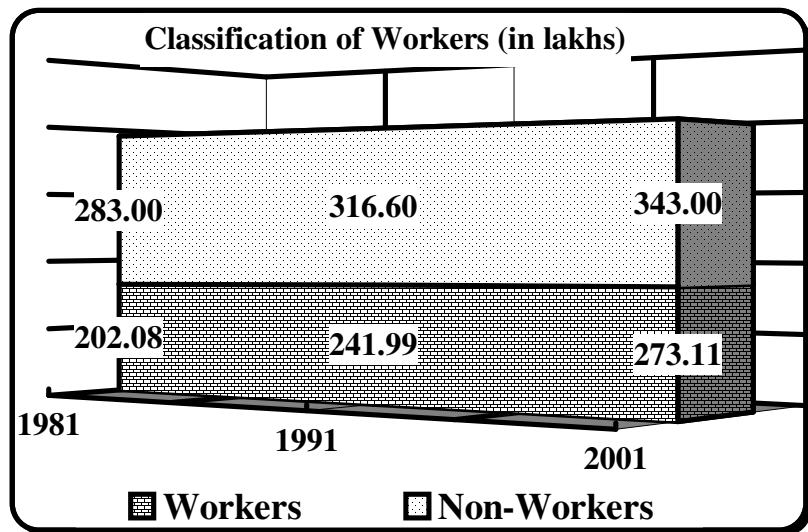
10.1. Employment Situation : Tamil Nadu:

The employment scenario in the State has been assessed with reference to the decennial population Census and quinquennial NSS surveys on employment and unemployment. While these two sources estimate total employment, the Employment Marketing Information Programme (EMIP) data enumerates the organised sector employment.

10.1.1. Census Based Analysis:

The working population of the State was estimated at 278.12 lakhs in Census 2001 against 241.94 lakhs in Census 1991, the annual average rate of increase being 1.4 per cent against the population growth of 1.1 per cent. However, it may be noted that the number of marginal workers has increased significantly from 13.95 lakhs in 1991 to 41.2 lakhs in 2001 accounting for 2.5 per cent and 6.6 per cent of the total population. There is a rural-urban divide in WPR. The WPR in the rural areas during 2001 stood higher at 50.4 per cent against 37.6 per cent in urban areas. A significant improvement could be noticed in the WPR both for male and female in 2001. The male WPR at 56.39 per cent in 1991 moved to 58.06 per cent in 2001 and that for females from 28.89 per cent to 31.32 per cent respectively. Industry group-wise analysis of census data shows a significant increase in agriculture labour and decline in cultivators and household workers upto 1991 census. In the latest census while the share of cultivators continue to decline (18.4% from 25.0%) that of agriculture labourers and household industries moved up moderately.

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Table - 1 : Census at a glance (No. in lakhs)

	1991	% Share to Population	2001	% Share to Population
1. Workers	241.94	43.3	278.12	44.8
Main	227.99	40.8	236.85	38.1
Marginal	13.95	2.5	41.27	6.6
2. Non-workers	316.65	56.7	342.99	55.1
3. Population	558.59	100.0	621.11	100.0
4. Cultivators	60.42	25.0	51.14	18.4
5. Agriculture labour	87.57	36.2	86.65	31.1
6. Household Industry Manufacturing etc.	8.70	3.6	14.59	5.3
7. Other workers	85.25	35.2	125.74	45.2

Source: Census, 1991 and 2001.

10.1.2. NSS Estimates:

The magnitude of employment and unemployment situation in the State is better captured by the quinquennial surveys conducted by the National Sample Survey Organisation. The latest survey has estimated the number of workers under the usual principal and subsidiary status at 289.7 lakhs for the year 1999-2000. This is against the 285.6 lakhs estimated for 1993-94. A deceleration in employment growth is noticed between the period 1993-94 and 1999-00 when the growth decelerated to 0.24 per cent per annum against 1.74 per cent in the five year period 1987-88 to 1993-94.

Table - 2
Growth in Employment by Sectors (No. in lakhs)

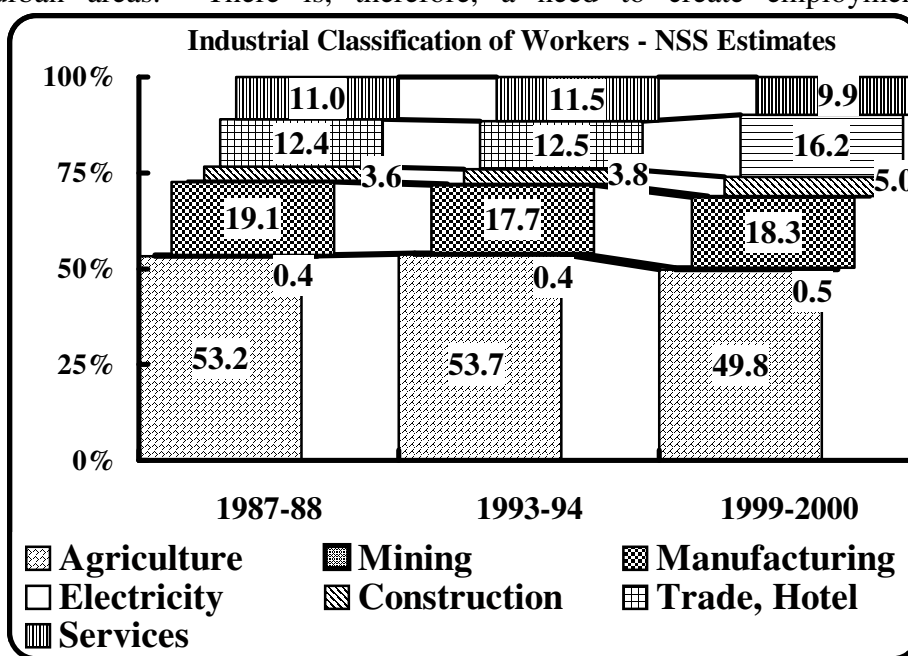
	1993-94 (50th Round)	Annual growth (1983-94)	1999-00 (55th Round)	Annual growth (1993-2000)
1. Labour Force	292.5	1.53	297.5	0.28
2. Estimated workers (UPSS)	285.6	1.74	289.7	0.24
3. Workers (UPSS)				
- Primary	154.40	0.86	145.65	(-)0.97
- Secondary	62.41	2.96	68.51	1.57
- Tertiary	63.77	2.08	75.53	2.86

Source: Sarvekshana various issues, CSO, GOI.

The pattern of employment growth in different sectors indicates the declining share of primary sector. The primary sector which accounted for about 55 per cent of the total employment in 1993-94 could accommodate only 50 per cent of the total workers in

1999-2000. This is mainly due to the lesser absorptive capacity of agriculture sector. There is deceleration in the growth of secondary sector employment from 2.96 per cent to 1.57 per cent. The tertiary sector alone had witnessed an accelerated growth (i.e.) from 2.08 per cent to 2.86 per cent. Among the various sub-sectors, 'construction' and 'trade' have shown high growth rates.

In this context, it may be noted that bulk of the tertiary sector employment is concentrated in urban areas. There is, therefore, a need to create employment opportunities of right quality that can match the expectations of labour force particularly of the educated youth in rural areas. There is also a need to upgrade the skills of labour force in the rural areas for facilitating absorption in the off-farm / non-farm sectors.



It has also been noticed that there is a structural change in the State's work force. The proportion of self-employment has registered a decline between 1983 and 1999-2000. The rate of decline is steep in rural areas. There is also rise in the casualisation of employment in the rural areas. These are factors causing concern.

Table - 3
Distribution of Workers by Nature of Employment (in per cent)

Year and Area	Self-employed	Regular / Salaried	Casual
1983 - Rural	45.8	9.4	44.8
Urban	36.8	37.6	25.6
Combined	43.3	17.2	39.5
1993-94 - Rural	41.6	9.3	49.1
Urban	36.0	37.5	26.6
Combined	40.0	17.3	42.7
1999-00 - Rural	36.7	11.8	51.5
Urban	34.7	44.1	21.2
Combined	36.1	21.7	42.2

Source: NSS various Rounds.

Box

Beginning from the first round (1950-51) of the NSS, data on household consumer expenditure were collected once in five years. Later it was decided that along with this quinquennial surveys, every other round of NSS would also include consumer expenditure enquiry and employment also on a reduced scale with abridged version of the schedule. Thus the present 57th round survey (July 2001-June 2000) also carries employment content. For collecting information on employment and unemployment the usual status and current daily status approach were adopted.

Source: NSS 57th Round Results, CSO, GOI.

10.1.3. Results of NSSO 57th Round (2001-02):

The results of the 57th round NSS survey brings to light that 310.0 lakh persons in the State are employed out of 324.1 lakh in the labour force leaving 14.1 lakhs unemployed. Of the total workers 45.9 per cent comes under the 'casual' category, while 35.7 per cent are self-employed and 18.4 per cent are 'regular' employees.

Table - 4 : Employment Situation, 2001-02 - Salient Features (lakhs)

	Estimated Labour Force	Estimated number of workers	Unemployed
Rural Male	130.7	126.5	4.2
Rural Female	104.9	97.3	7.6
Rural Persons	236.0	223.8	12.2
Urban Male	69.1	67.6	1.4
Urban Female	19.2	18.6	0.5
Urban Persons	88.2	86.3	1.9
Combined Male	199.7	194.1	5.6
Combined Female	124.4	115.9	8.2
Combined Persons	324.1	310.0	14.1

Source: NSS 57th Round.

The data presented by the NSS 57th Round are based on a thin sample and is prone to 'non-sampling' error. As this survey is tagged to the larger survey of different subject, the data are more likely to yield inaccurate results. The Union Planning Commission has until now not used the results of smaller service for analysing employment trends. Hence, the results of 57th NSSO on employment is not analysed in detail.

10.2. Child Labour:

The goal of eliminating child labour is embodied in ILO convention's national legislation and the objectives of workers and employees and other civil society organisations around the world. ILO convention No.138 envisions education as the principal activity for children upto the age of 14. Achieving universal primary education is one of the Millennium Development Goals.

Details of incidence of child labour have been presented by various NSS surveys. The results of the NSS 55th Round shows that there is a significant decline in Tamil Nadu's child labour between 1993-94 and 1999-2000. The number of child labour (5-14 years) which was of the order of 13.03 lakh in the State during 1987-88 declined to 10.26 lakh in 1993-94 and fell sharply to 4.50 lakh during 1999-2000. For the first time, the structure of child labour has also undergone a change. Female child labour accounted for about 56 per cent of the total child labour in 1987-88 and 1993-94. However, the latest estimates showed that the female child labour had declined to 43.6 per cent in 1999-2000. The striking feature is that the bulk of decline in the child labour has come from the principal status workers.

Table - 5 : Estimated Number of Child Labour (Lakhs)

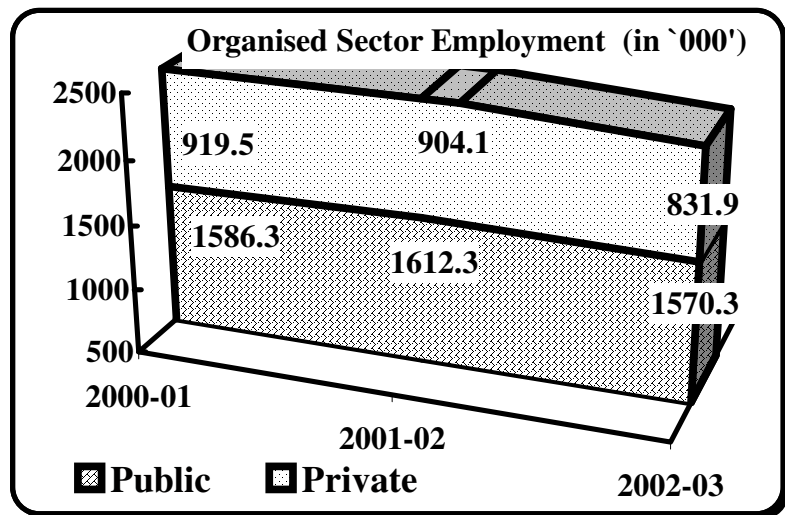
Area	1987-88			1993-94			1999-2000		
	Boys	Girls	Children	Boys	Girls	Children	Boys	Girls	Children
Rural	4.47	5.93	10.40	3.37	4.76	8.13	1.80	1.57	3.37
Urban	1.38	1.26	2.64	1.19	0.97	2.16	0.73	0.39	1.12
State	5.85	7.19	13.03	4.56	5.73	10.29	2.53	1.96	4.49

Source: NSS Various Rounds.

Tamil Nadu has always endeavoured to eradicate this problem of child labour. Accordingly it has been decided to make Tamil Nadu child labour free by 2007. Action Plan has been drawn up to eliminate child labour in hazardous employment in the State by 2005 and in non-hazardous employment by 2007. An INDUS Child Labour Project jointly funded by the Government of India and United States with ILO as the executing agency is to be implemented in six sectors - Silk, Bidi, Brick, Stone quarrying, Match and fire works in five districts viz. Kancheepuram, Namakkal, Thiruvallur, Thiruvannamalai and Virudhunagar to address this problem.

10.3. Organised Sector Employment:

The organised sector employment in the State during 2002-03 obtained at a reduced level of 24.02 lakhs against 25.16 lakhs in 2001-02, decline by (-)4.5 per cent. In the total employment, the organised sector accounted for about 8 per cent only leaving the remaining 92 per cent in the unorganised sector. Of the 24.02 lakh organised sector employment, the public sector accounts for two-thirds (15.70 lakhs) and the private sector (8.32 lakhs) the remaining one-third. It is a matter of concern that during the last one year alone there was a reduction of more than 1.14 lakh employment in the organised sector. It is significant to note that there has been a shrinking of employment opportunities both in the private and public sectors.



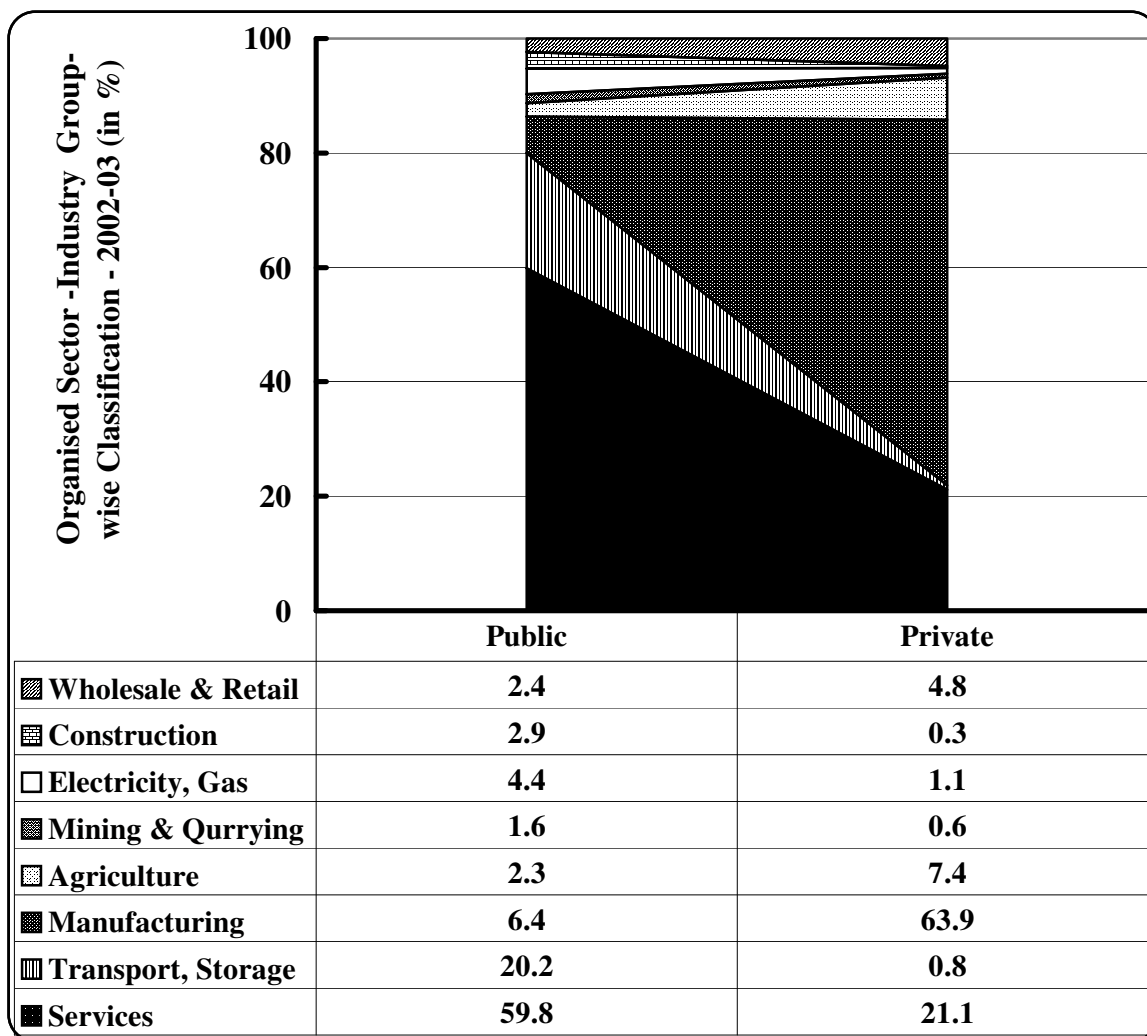


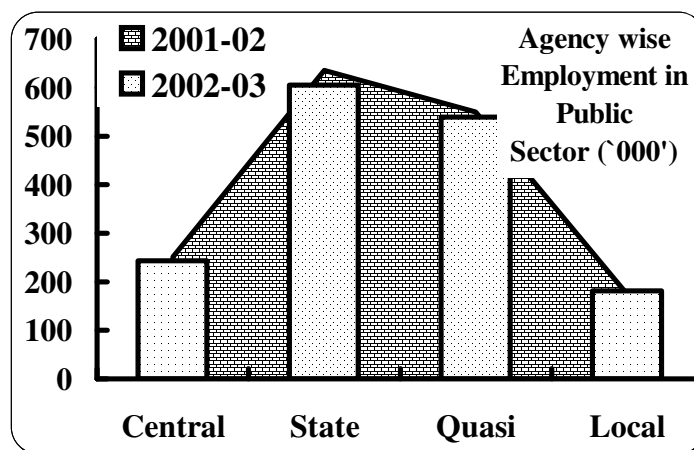
Table - 6 Category-wise Organised Sector Employment (000s)

Category	2001-02	Net Addition	2002-03	Net Addition
Public Sector	1612.3	26.0	1570.3	(-) 42.0
Private Sector	904.1	(-) 15.4	831.9	(-) 72.2
Total (Organised Sector)	2516.4	10.6	2402.2	(-) 114.2

Source: Director of Employment and Training, Chennai - 5.

10.3.1. Public Sector Employment:

The public sector employment with 15.70 lakhs in 2002-03 accounted for 65 per cent of total organised sector employment in the State. There was a reduction of 42000 employees during the year as against 26000 additional jobs created in 2001-02. Among the four categories of public sector,



shedding of employment is witnessed in all the three categories viz. Central Government, State Government and Quasi Government, except local bodies. A high order of 30000 drop in the State Government employment is noticed followed by Quasi Government (10000 jobs) and Central Government (8500 jobs). The steep fall in State Government employment may be attributed to the mass Voluntary Retirements and the non-filling of vacant posts.

Table - 7 : Agency-wise Public Sector Employment (in 000)

Agency	2001-02	Net Addition	2002-03	Net Addition
Central Government	251.9	20.1	243.4	(-)8.5
State Government	635.7	14.5	605.4	(-) 30.3
Quasi Government	549.7	(-) 4.1	539.4	(-) 10.3
Local Bodies	174.9	(-) 4.6	181.8	6.9
Total (Public Sector)	1612.3	26.0	1570.3	(-) 42.0

Source: Director of Employment and Training, Chennai - 5.

10.3.1.1. Industry group-wise - Public Sector Employment:

Going by the nine fold NIC classification, the 'Community, Social and Community Services' attract fifty per cent of the total public sector employment followed by 'transport, storage and communication' group (20%). In the year 2002-03 also the same order of preference is maintained with a little alterations in other groups (For 2002-03 the NIC-98 was regrouped as in NIC-87 for comparative purpose). Among the nine groups, four groups recorded significant reduction in employment. They are : 'community, social and personal' services, 'construction', 'wholesale and retail trade and restaurants' and 'transport, storage and communication'. The employment providers were seen in groups like 'electricity, gas and water supply', 'agriculture, hunting, fishing and forestry' and 'finance, insurance and other services'.

Table - 8 : Public Sector Employment : By Industry Groups (000s)

	2001-02		2002-03	
	Emp- loyment	Net addition	Emp- loyment	Net addition
1. Agriculture, Hunting and Fishing	26.6	(-) 0.3	36.6	10.0
2. Mining and Quarrying	23.5	(-) 0.7	24.7	1.2
3. Manufacturing	99.7	0.6	100.2	0.5
4. Electricity, Gas and Water Supply	43.0	(-)3.4	68.7	25.7
5. Construction	80.7	3.5	45.5	(-) 35.2
6. Wholesale and Retail Trade	47.3	(-)2.3	37.9	(-) 9.4
7. Transport, Storage and Communication	319.7	21.2	316.7	(-) 3.0
8. Finance Services	133.1	(-)1.7	138.5	5.4
9. Community, Social & Personnel Services	838.7	9.0	801.5	(-) 37.2
Total (Public Sector)	1612.3	25.9	1570.3	(-) 42.0

Source: Director of Employment and Training, Chennai - 5.

10.3.2. Private Sector Employment:

In the overall private sector employment a continuous decline was seen since 2000-01 in the State. In 2002-03 also, there was a large shedding of employment by the private sector to the tune of 72200 (8.0%).

It is to be noted that these reductions are effected despite the availability of a number of labour laws protecting employment. Among the nine industry groups, 'manufacturing' group has been losing employment continuously since 2000-01 (i.e.) from 599.9 thousands in 1999-2000 it come down steadily to 531.5 thousands in 2002-03.

Table - 9
Industry Group-wise - Private Sector (000s)

	2001-02		2002-03	
	Total Employment	Net addition	Total Employment	Net addition
1. Agriculture, Hunting and Fishing	56.5	(-) 3.5	61.6	5.1
2. Mining and Quarrying	4.4	0	5.3	0.9
3. Manufacturing	587.7	(-) 7.1	531.5	(-) 56.2
4. Electricity, Gas and Water Supply	12.5	(-) 0.8	8.9	(-) 3.6
5. Construction	0.9	0	2.6	1.7
6. Wholesale and Retail Trade	43.4	(-) 2.8	40.3	(-) 3.1
7. Transport, Storage and Communication	9.0	(-) 0.3	6.4	(-) 2.6
8. Finance Services	19.6	(-) 1.7	20.5	0.9
9. Community, Social and Personnel Services	170.1	0.8	154.8	(-) 15.3
Total (Private Sector)	904.1	(-) 15.4	831.9	(-) 72.2

Source: Director of Employment and Training, Chennai - 5.

10.3.3. District-wise Distribution of Employment:

The distribution of organised sector employment in the State bring out the fact that six districts viz. Chennai, Kancheepuram, Vellore, Coimbatore, Thanjavur and Tirunelveli together generate about 52 per cent of the total employment in the state.

Public sector employment had increased in Virudhunagar (13.9 %), Erode (3.6 %), Kancheepuram (1.3 %), and Ramanathapuram (0.7 %). As for the private sector employment increase was visible in Cuddalore (3.4 %), Salem (2.0 %), Virudhunagar (2.0 %), Madurai (1.6 %) and Pudukottai (1.2 %).

Table- 10 : Organised Sector Employment : District-wise (in 000)

District	2001-02			2002-03		
	Public	Private	Total	Public	Private	Total
Chennai	316.6	94.7	411.2	314.2	64.9	379.1
Kancheepuram	108.0	136.2	244.2	109.4	132.3	241.7
Vellore	121.2	47.2	168.4	112.2	47.2	159.4
Cuddalore	110.5	17.5	127.9	104.4	18.1	122.5
Salem	94.7	39.5	134.2	94.4	40.3	134.7
Dharmapuri	58.7	31.1	89.8	57.0	22.5	79.5
Coimbatore	105.2	136.1	241.3	99.7	126.0	225.7
Erode	55.1	25.5	80.6	57.1	21.9	79.0
Nilgiris	34.1	41.0	75.1	32.9	34.2	67.1
Madurai	91.9	36.9	128.9	87.7	37.5	125.2
Dindigul	38.4	17.9	56.3	35.5	17.3	52.8
Tiruchirappalli	140.6	20.3	160.9	134.7	18.0	152.7
Thanjavur	86.7	18.4	105.1	86.6	17.7	104.3
Pudukottai	31.2	8.1	39.3	30.2	8.2	38.4
Ramanathapuram	27.5	4.9	32.4	27.7	5.2	32.9
Sivagangai	31.8	11.1	43.0	30.7	10.3	41.0
Virudhunagar	25.2	55.8	81.0	28.7	56.9	85.6
Tirunelveli	56.3	98.3	154.6	53.8	92.7	146.5
Thoothukudi	38.8	26.5	65.4	36.0	22.2	58.2
Kanniyakumari	39.9	36.9	76.8	37.2	38.4	75.6
State	1612.3	904.1	2516.4	1570.3	831.9	2402.2

Source: Director of Employment and Training, Chennai - 5.

10.4. Employment Exchange Statistics:

The employment exchange statistics provided by the concerned offices points to the extent of unemployment. There are 34 employment exchanges functioning in the State as on 31st March 2003. These exchanges provide details of the number of persons registered, seeking employment in the State. The data widely used for assessing the quantum of unemployment especially in the educated category has the following limitations. All the job-seekers registered with the employment exchanges are not necessarily unemployed. Similarly, all job seekers / unemployed do not register themselves with the exchanges either given the fact that in most of the States these exchanges are situated in the urban areas. In some exceptional cases, there is a chance of duplication in the register. The job seekers who find employment by other agencies do not report to the exchanges for deletion. Employers fail to inform the recruitment of applicants done through these exchanges. Any interpretation of the data should keep in mind the above factors. However, this data should be taken as an indicator of unemployment situation in the State.

The consolidated data of all the 34 employment exchanges of the State exhibit the total number of applicants on Live Register as on 31st March 2003 as 52.31 lakhs against 49.09 lakhs recorded in the corresponding period of 2002, indicating an increase of 6.6 per cent over the previous year. The number of registrations effected during 2002-03 are 4.01 lakhs against 6.23 lakhs in 2000-01 and 5.69 lakhs in 2001-02. Of the 52.31 lakh applicants on the live register female applicants accounts for 37.5 per cent. The share of females over the years have been increasing (from 35.0% in 2000-01 to 36.1 % in 2001-02 and further to 37.5% in 2002-03). The pace of increase has also accelerated from 8.6 per cent in 2001-02 to 10.8 per cent in 2002-03.

The distribution of applicants on live register as per educational qualifications (available for the calendar year basis only) shows that those with SSLC or equivalent educational level accounts for 73 per cent as on 31st December, 2003. This proportion at 66 per cent in 2000 had been on the increase year after year. Among them 17 per cent are graduates and 5 per cent post-graduates. All the above details point to the need for giving greater thrust for designing action oriented, employment-led growth strategies.

Table - 11: Educated Job-Seekers (As on 31st December) (lakhs)

Year	Educated	P.Gs	U.Gs	Others
2001	36.29 (100.0)	1.49 (4.1)	6.48 (17.9)	28.32 (78.0)
2002	33.83 (100.0)	1.67 (4.9)	5.42 (16.0)	26.74 (79.0)
2003	35.33 (100.0)	1.77 (5.0)	6.13 (17.4)	27.43 (77.6)

Source: Director of Employment and Training, Chennai - 5.

10.5. Strategy:

It has been debated that in the post reform period, public sector employment has been shrinking. Further, liberalisation and globalisation era had witnessed the phenomenon of 'Right sizing' an euphemism for job cuts on a large scale by organised private sector. Shedding of employment by private sector has been attributed to the increased adoption of automated production strategies and trimming of work force to increase profitability of the units. This has policy implications.

In this backdrop, different employment strategies are being debated in various fora. The near jobless growth in various segments of the economy is also being taken note of. The Government at the Centre and State are considering various Task Force reports which provide different strategies and Action Plan for employment generation. The Union Planning Commission established a Task Force on employment opportunities under the Chairmanship of Dr.Montek Singh Ahluwalia and another Special Group on Targeting ten million employment opportunities per year under the Chairmanship of Dr.S.P.Gupta. The Task Force stressed the need for identification of potential sectors of the economy which are high on employment intensity and stimulate the growth performance of these sectors. The Central theme of this report is that unemployment problem could be solved only through the process of accelerated economic growth.

The another model worked out by the Special Group (Dr.S.P.Gupta) which are supplementary to the Task Force bases its recommendations on the importance of unorganised sector as the provider of employment opportunities. Scheme / Programme

based strategies are also suggested. The Special Group had identified the following sectors as having high employment potential: agriculture including social forestry, animal husbandry, horticulture, fisheries, small and medium industries, information technology, construction, tourism, financial sectors, education and health. Yet another Task Force has been constituted by the Union Planning Commission to work on strategies for identification of State specific core sectors / activities with high employment potential.

It needs to be considered that the tempo of growth in the agricultural sector has somewhat slackened. Moreover, the surplus labour in this sector cannot be automatically absorbed by itself, given the fact that modern and improved agricultural practices are in effect labour-saving and capital intensive. Hence revival of agricultural sector by itself will not bring about an increase in on-farm employment opportunities. Hence the focus would have to be on providing off-farm employment opportunities. The large addition of educated unemployed youth is another dimension of the problem. Therefore, any strategy formulated should focus on an employment led growth. Therefore, policies and programmes seek to address this situation.