

10. Employment

Providing adequate employment opportunities for the growing labour force is the major concern at the National and State levels. In recent years, the demographic trends indicate that the rate of growth of working age group population is accelerating due to high birth rates in 1970s and early 1980s. However, the pace of creation of work opportunities has not kept pace with the growing labour force. These trends imply that the country /State would face the specter of rising unemployment with its attendant economic and social consequences. Appropriate job-oriented employment strategies are being devised by the Government based on the recommendations of the 'Expert Group on Employment Opportunities' and 'Special Group for targeting Ten Million Employments per year'.

Level of Employment : State Profile:

For estimating the overall employment in the State, Quinquennial NSS Reports on Employment & Unemployment (1999-2000) and decennial Census (2001) are used. The organised sector employment which accounts for about one-tenth of the total employment is analysed with reference to the data on the Employment Market Information Programme (EMIP) provided by the Directorate of Employment and Training for 2003-05. A trend analysis on the structure of employment is also made with reference to population growth, age group-wise population and workers in the State.

Census Estimates:

The latest 2001 Census estimated the size of the State population as 624.06 lakhs of which 278.78 lakhs were classified as workers. Active age group population (19-59 years) as per 2001 Census estimates was about 348.12 lakhs. Workers as a proportion to the active age-group population works out to 80.1 per cent.

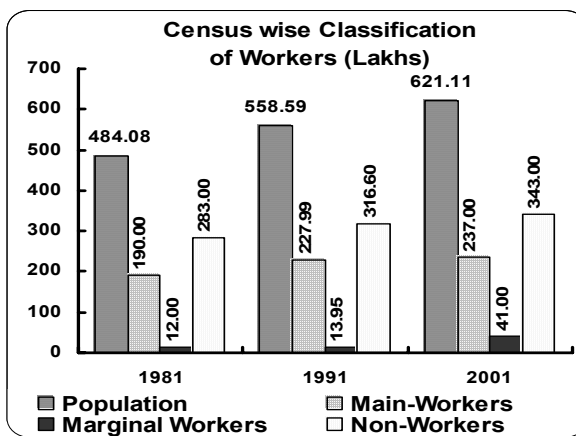
A trend analysis shows that there is a deceleration in the growth of population, active age group population and total workers between 1971 and 2001. However, active age group population (19-59 years) has been increasing at a faster rate than the growth of overall population. Active age group population (19-59 years), which was growing at an annual rate of 1.8 per cent in 1970s, rose to 2.02 per cent during 1980s which, however, had decelerated to 1.5 per cent during 1990s. In terms of absolute magnitude the net addition to active age group population was of the order of 54.2 lakh persons between 1981 and 1991 and 47.9 lakh persons between 1991 and 2001. The pace of increase witnessed in number of workers was at a faster rate than that of population (both overall and active age group) between 1971 and 1981, however, it lagged behind the active age group population during the subsequent years.

Table - 1
Trend in Growth of Active Age Group Population and Employment

Year / Census	Total Population	Active age group (19-59 years)	Total workers	Annual Growth Rate (%)		
				Population	Active age group	Total workers
	(lakh persons)					
1971	411.99	203.95	147.42 (72.28)	2.03	-	-
1981	484.08	244.16	202 (82.73)	1.62	1.82	3.2
1991	558.59	298.41	241.92 (81.07)	1.44	2.02	1.82
2001	624.06	348.12	278.78 (80.08)	1.11	1.5	1.43

Figures in brackets indicate the proportion of workers to active age-group population.

The Census classifies workers as main and marginal; those having economically gainful activity for major part of the year are considered main workers while others are classified as marginal workers. Over the ten-year period ending with 2001 there was a deceleration in the main workers category (from 19.8% to 4.2%). In absolute terms, net addition to main workers was only by 9.6 lakhs between 1991 and 2001 Censuses against 37 lakhs in the previous Census period. The steep increase (triple fold) noticed in respect of marginal workers category implies greater degree of casualisation of workers.



(000s)

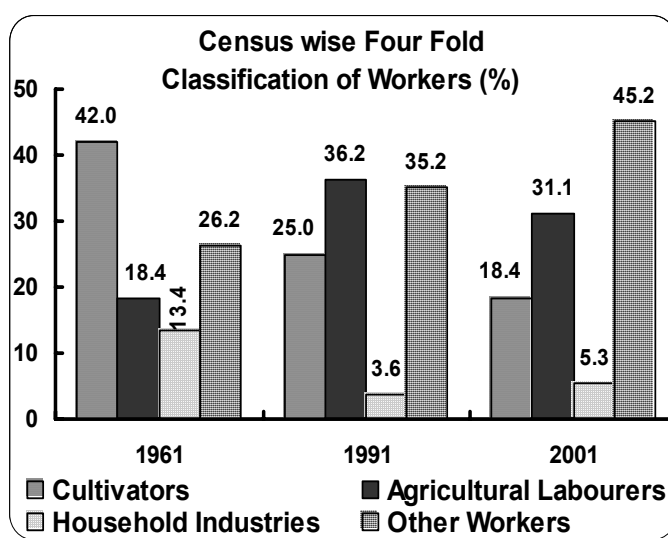
	1981	1991	2001
Total workers	20200	24192	27878
Main workers	19028	22798	23758
Marginal Workers	1172	1394	4120

Source: Census Documents

Distribution of Workers by Industrial Categories:

Industrial category-wise distribution of workers shows that there is a sharp decline in the number of cultivators between 1991-2001. Total number of cultivators dropped by 9.26 lakhs, almost the same number from the main worker category. In the case of agricultural labourers even though, there is a marginal decline in the total workers a steep increase in the marginal category, amounting to casualisation of labour and marginalisation of farmers which is a sign of increasing unemployment and underemployment.

Over the period, a shift in the composition of workers has been noticed. agriculture sector, which accommodated about 62 per cent of the total workers in 1981, provided employment to about 49 per cent in 2001. Still agricultural sector continues to be the major employment provider. It is somewhat disquieting that as much as 71 per cent of marginal workers are concentrated in agricultural sector. With an improvement in overall employment position a decline in the primary sector employment



does mean that there is an expansion in the secondary and tertiary sector employment, which together provide about 50 per cent of the total employment. The share of tertiary sector employment could be placed at about 32 per cent.

Table-2 Industrial Classification of Workers

(lakhs)

Sl. No	Industry Group	Total workers			Main workers			Marginal workers		
		1981	1991	2001	1981	1991	2001	1981	1991	2001
1.	Cultivators	58.15	60.42	51.16	55.59	56.64	47.39	2.56	3.78	3.77
2.	Agri. labourers	67.68	87.57	86.38	60.38	78.96	60.63	7.30	8.61	25.75
3.	Livestock, Forestry, etc.	5.20	4.73	0	5.06	4.63	0	0.14	0.10	0
4.	Mining and Quarrying	0.54	0.70	0	0.52	0.69	0	0.02	0.01	0
5.	Manufacturing (HHld. ind)	9.73	8.70	15.00	8.98	8.03	12.61	0.75	0.67	2.39
6.	Manufacturing (other than HHld. ind)	20.31	24.27	0	19.98	23.95	-	0.33	0.32	-
7.	Construction	3.49	4.93	-	3.40	4.89	-	0.09	0.04	-
8.	Trade and Commerce	16.39	19.96		16.08	19.80		0.31	0.16	
9.	Transport, Storage & Communication	5.58	7.05		5.54	7.04		0.04	0.01	
10.	Other Workers	14.93	23.59	126.25	14.75	23.35	116.95	0.18	0.24	9.30
	Total	202.00	241.92	278.79	190.28	227.98	237.58	11.72	13.94	41.21

*Source: Various Census Documents.***Age-group-wise Distribution and Dependency Ratio:**

Over the census periods, a gradual reduction in the share of 0-18 years age group and doubling the size of 60+ years population is seen. Effective implementation of various health programmes in the State paid rich dividends like 'low Birth Rate', 'low Death Rate' and increasing Life span. The population pyramid of Census 2001 is broad-based by the conspicuous increase in the share of ageing population (60+age group) from 5.7 per cent in 1971 to 15.5 per cent. This situation while highlighting the increasing dependency ratio of this age group over the active age group or the work force also implies lower per capita income and downsizing the expenditure on education, health and nutrition. The relative share of active age group (19-59) population which showed a steady increase from 49.6 per cent in 1971 to 55.8 per cent in 2001, happened to support not only ageing population but also the children. Incentives offered to the school age children helped to slash down the drop-outs, and raised the education qualification of the workforce. The overall dependency Ratio of the State has come closer to the desired level of almost 80 per cent. In contrast, the dependency ratio of 0-18 age group on (19-59) active age is gradually decreasing over the census periods. This is a positive sign of the impact of economic development, however, it is lower than the desired level of 50 per cent.

Age Group	1971	1981	1991	2001
Proportion of Different Age Groups (%)				
0-18	44.8	43.2	39.1	28.8
19-59	49.5	50.4	53.5	55.7
60+	5.7	6.4	7.4	15.5
Dependency Ratio (%)				
0-18	90.41	85.47	73.24	62.22
60+	11.60	12.71	13.95	17.05
Overall dependency	102.01	98.27	87.19	79.27

Source: Computed from various Censuses Documents

**National Sample Survey Estimates:
Structure of Employment:**

The structural transformation of employment in the State is better captured by the NSS Quinquennial Survey Results on Employment and Unemployment Situation

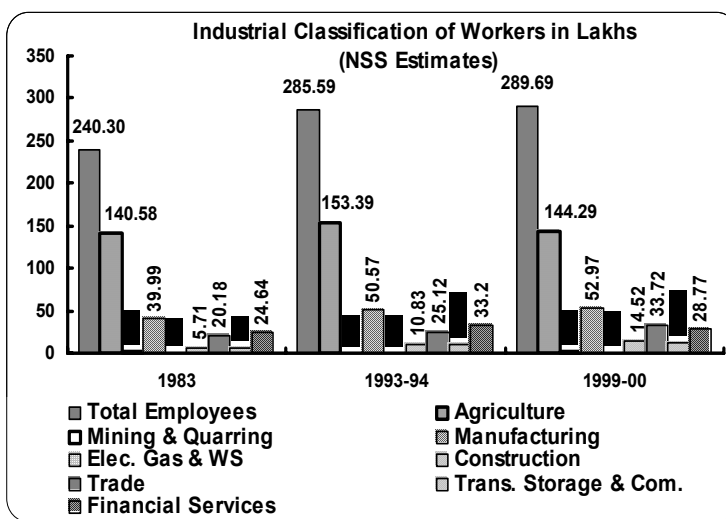
Table -3 : Magnitude of Unemployment

(Lakh persons)

Details	NSS (1983)	NSS (1993-94)		NSS (1999-2000)	
	UPSS	UPSS	CDS	UPSS	CDS
Estimated Labour force	251.24	292.51	258.71	297.51	268.31 (262.33)**
Estimated Number of Workers	240.3	285.60	229.07	289.69	235.99 (231.43)**
Unemployment Rate	4.41	2.46	11.46	2.69	12.05

** Special Group Estimates;
Source: NSS Results Various Rounds

The 55th Round results pertaining to the year 1999-2000 estimates the total number of employed persons under Usual Principal and Subsidiary Status(UPSS) category as 289.69 lakhs and Current Daily Status (CDS) as 235.99 lakhs.



The industry group-wise classification of workers on the basis of both usual principal status and current daily status basis is given below for the year 1999-2000.

Table-4: Industry group-wise classification of worker (1999-2000)

(No. in lakhs)

Industry Group	Usual Principal Status	Current Daily Status
1.Agriculture	144.29	117.54
2.Mining and Quarrying	1.36	1.11
3.Manufacturing	52.97	43.15
4.Electricity, Gas & Water supply	1.02	0.83
5.Construction	14.52	11.83
6.Trade,Hotel and Restaurants	33.72	27.47
7.Transport, Storage and Communication	13.04	10.62
8.Financial Services	28.77	23.44
Total	289.69	235.99

Source: 55 th NSS Results,CSO

Estimate of Under-employment by Sector:

The NSSO Report also provides estimates of the likely under-employment that is hidden in the number of employed category calculated by the UPSS approach when compared with CDS. The significant difference reporting in the employment level between UPSS and CDS signal the presence of large under-employment. The estimates show that as many as 53.7 lakh persons are deemed to be under-employed as of 1999-2000. Out of which, bulk of them (26.75 lakh) is in agriculture sector. It may be noted that under-employment is prevalent across all sectors.

Organised Sector Employment:

Of the total employment (278.78 lakhs)estimated by Census,2001, the organised sector (22.62 lakhs as on Dec,2004)constitutes only 8.1 per cent. The organised sector employment as per the estimates of Employment Market Information Programme (EMIP) at 25.16 lakhs in 2001-02 had come down to 22.62 lakhs as on 31 Dec2004; the downsizing and natural wastage that occurred gradually. Reduction in employment was common to both public and private sectors till 2003-04, however, in 2004-05 (ending Dec, 2004) additions to the tune of 7.6 thousands, were made to private sector.

Table - 5: Public and Private Sector Employment

	(000s)			
Sector	2001-02	2002-03	2003-04	2004-05 (31.12.04)
Public Sector	1612.3 (26.0)	1570.3 (-42.0)	1540.3 (-30.0)	1512.7(-27.6)
Private Sector	904.1 (-15.4)	831.9 (-72.2)	741.3 (-90.6)	748.9(7.6)
Total	2516.4 (10.6)	2402.2 (-114.2)	2281.6 (-120.6)	2261.6(-20.0)

Figures in brackets indicate net addition effected during the year.
Source: Directorate of Employment and Training ,Chennai-5

Public Sector Employment:

The size of public sector employment in the State has been on the decline in recent years, the occurrence being noticed in all the categories during 2003-04. More than fifty per cent of reduction came from quasi government category followed by State governments (30.0%), Local Bodies (10.0%) and Central government (5.0%). The ban imposed both on recruitments to services in the government sectors for the vacancies caused either by retirement or creation of new posts was the principal causative factor.

Table -6: Public Sector Employment - By Category

	(000s)		
Category	2001-02	2002-03	2003-04
Central Government	251.9(20.1)	243.4(-8.5)	242.0(-1.4)
State Government	635.7(14.5)	605.4(-30.3)	596.4(-9.0)
Quasi Government	549.8(-4.1)	539.7(-10.3)	523.4(-16.3)
Local Bodies	174.9(-4.6)	181.8(6.9)	178.5(-3.)
Total (Public)	1612.3(26.0)	1570.3(-42.0)	1540.3(-30.0)

Figures in brackets indicate net addition effected during the year.
Source: Directorate of Employment and Training ,Chennai-5

Private Sector Employment:

The employment in the private sector has also been on the decrease since 2001-02. The rate of decline being much steeper in 2003-04 i.e. by 10.9 per cent (about 91 thousand) which followed a more or less similar (8.0%) degree of reduction in 2002-03.

Industry - Group-wise Classification of Employment (Organised Sector):

Economic activities have been categorised into 17 groups (A to Q) according to the National Industrial Classification, 1998. For the purpose of analysis, nine-fold classification is followed by re-grouping certain categories. Among the nine industry groups, one under public sector (wholesale, retail trade and restaurants) and five under private sector (manufacturing, . electricity, gas and water supply , wholesale, retail trade & restaurants, transport, storage & communication and community, social & personal services) fold had registered increase in employment.

Table -7 : Organised Sector Employment : Industry - Group-wise

	2002-03		2003-04		2004-05 (31.12.04)	
	Public	Private	Public	Private	Public	Private
1. Agriculture, Hunting, Fishing & Forestry	36.6 (10.0)	61.6 (5.1)	33.2 (-3.4)	57.1 (-4.5)	32.0 (-1.2)	49.1 (-8.0)
2. Mining & Quarrying	24.7 (1.2)	5.3 (0.9)	23.1 (-1.6)	4.6 (-0.7)	22.8 (-0.3)	4.4 (-0.2)
3. Manufacturing	100.2 (0.5)	531.5 (-56.2)	94.7 (-5.5)	426.0 (-105.5)	89.7 (-5.0)	430.0 (4.0)
4. Electricity, gas and water supply	68.7 (25.7)	8.9 (-3.6)	67.9 (-0.8)	8.2 (-0.7)	63.8 (-4.1)	8.3 (0.1)
5. Construction	45.5 (-35.2)	2.6 (1.7)	48.5 (3.0)	2.5 (-0.1)	45.0 (-3.5)	2.5 (0)
6. Wholesale & Retail	37.9 (-9.4)	40.3 (-3.1)	32.1 (-5.8)	44.7 (4.4)	35.3 (3.2)	47.7 (3.3)
7. Transport, storage and communication	316.7 (-3.0)	6.4 (-2.6)	301.3 (-15.4)	6.7 (0.3)	297.4 (-3.9)	6.9 (0.2)
8. Finance Services	138.5 (5.4)	20.5 (0.9)	141.9 (3.4)	19.9 (-0.6)	140.7 (-1.2)	19.7 (-0.2)
9. Community, social and personnel services	801.5 (-37.2)	154.8 (-15.3)	797.6 (-3.9)	171.6 (16.8)	786.0 (-11.7)	180.3 (8.7)
Total	1570.3 (-42.0)	831.9 (-72.2)	1540.3 (-30.0)	741.3 (-90.6)	1512.7 (-27.6)	748.9 (7.6)

Figures in brackets indicate net addition effected during the year.

Source: Directorate of Employment and Training ,Chennai-5

Employment in other groups had a steep fall - public sector's community, social & personal services had an acute shedding of about twelve thousand employments. Like that ' agriculture, hunting, fishing & forestry ' in private sector had accounted for reduction of about eight thousand employments. The closure of a number of spinning and sugar industries of cooperative societies and food processing units, wearing apparels, printing and recorded media units of private sector industries could be the reasons.

Organised Sector Employment - District Level :

The employment situation in respect of Organised Sector at the District level was also analysed. On a comparison of employment levels between the year 2000-01 and 2001-02, among 20 composite districts, additional employment was provided in 9 districts viz.

Chennai (27582), Kancheepuram (19130), Cuddalore (1619), Erode (1606), Dindigul (1557), Ramanathapuram (1160), Sivagangai (1018), Thoothukudi (2352) and Kanniyakumari (5477). Likewise, the employment levels between the years 2002-03 and 2003-04 indicate the increase of employment in public sector is noticed in eight districts viz. Chennai, Salem, Erode, Nilgiris, Madurai, Dindigul, Pudukkottai and Kanniyakumari. Private Sector also witnessed a growth in employment during the above period in the districts of Chennai, Salem, Dharmapuri, Trichy, Pudukkottai, Ramanathapuram, Sivagangai and Thoothukudi.

Job Seekers:

The total number of Applicants on the Live Register of all the 34 Employment Exchange Offices spread over the State provides the size of educated unemployed persons in spite of certain limitations. By the end of 2003-04, the number of job seekers in the State were 49.85 lakhs against 52.31 lakhs recorded by the end of 2002-03, of which, about 35 per cent were women. It is pertinent to note that all registrants on the Live Register should not be treated as unemployed because it is not mandatory for those who registered their name on the Live Register and get absorbed elsewhere have to inform the Employment Exchanges of their current real status.

Details	2002-03	2003-04
Employment Exchange Offices	34	34
Registrations Effected (lakhs)	4.01	3.58
Vacancies Notified (000s)	7.8	44.0
Placements Effected (000s)	8.6	34.0
Applicants on Live Register (lakhs)	52.31	49.85
Number of Female Applicants on Live Register (lakhs)	19.63	18.29

Source: Directorate of Employment and Training, Chennai-5

The actual number of educated job seekers had attained the level of 35.33 lakhs by the end of December 2003 from 33.83 lakhs by the end of December 2002. The relative share of educated job seekers with 'less than graduation' accounts 78 per cent followed by graduates (17%) and post-graduates (5%) of the total educated applicants.

Qualification	2002-03	2003-04
Less than Graduates	26.74 (79.0)	27.43 (77.6)
Graduates	5.42 (16.0)	6.13 (17.4)
Post-graduates	1.67 (4.9)	1.77 (5.0)
Total educated job seekers	33.83 (100.0)	35.33 (100.0)

(Figures in brackets indicate percentage share to total)

Source: Directorate of Employment and Training, Chennai-5

Employment in Unorganised Sector:

Provision of employment in the unorganised sector plays a crucial role. During 2001 as many as 92 per cent of the total employment emanated from unorganised sector. The composition, though varies between various estimates viz. against Census and NSS (UPSS & CDS) estimates, share is likely to grow further during the course of time due to natural wastage in the public sector

An estimate has been made on the likely size and composition of unorganised sector employment during the Tenth Five Year Plan. In this exercise, the total employment in different sectors has been estimated using the employment elasticities and the likely sectoral growth rates envisaged corresponding to a GSDP growth rate of 6.5 per cent and 8.0 per cent. The organised sector employment is, of late declining swiftly. From 25.0 lakhs in 2001-02 it dropped to 24.02 lakhs in 2002-03 and 22.82 lakhs in 2003-04. It is pegged at 20 lakhs for 2006-07 for the study. The likely employment under unorganised sector in each category of industrial classification has been computed by subtracting the sector-wise organised sector employment from the total employment. The results corresponding to a GSDP growth of 6.5 per cent is indicated below.

Table - 8: Projected Employment in Unorganised Sector : 2006-07

Industry	1999-2000				Projected Employment : 2006-07			
	Organised Sector Employment		Unorganised Sector Employment		Organised Sector Employment		Unorganised Sector Employment	
	Persons (lakhs)	%	Persons (lakhs)	%	Persons (lakhs)	%	Persons (lakhs)	%
1.Agriculture	0.88	3.46	116.66	55.41	0.82	4.12	114.66	49.00
2.Mining & Quarrying	0.30	1.18	0.81	0.38	0.24	1.21	0.87	0.37
3.Manufac-turing	7.10	27.90	36.05	17.12	5.23	26.27	43.25	18.49
4.Electricity, Gas & Water Supply	0.81	3.18	0.02	0.01	0.65	3.25	0.18	0.08
5.Construc-tion	0.61	2.40	11.22	5.33	0.48	2.04	16.06	6.87
6.Trade, hotel & restaurants	0.88	3.46	26.59	12.63	0.65	3.25	32.22	13.77
7.Transport, Storage & Communi-cation	3.10	12.18	7.52	3.57	2.68	13.41	10.81	4.62
8.Financial Services	1.57	6.17	2.38	1.13	1.33	6.66	3.13	1.34
9.Community, Social & Personal Services	10.20	40.08	9.29	4.41	7.96	39.80	12.71	5.43
Total	25.45	100.00	210.54	100.00	20.00	100.00	233.94	100.00

Source: Calculated by DEAR based on 55th Round Results of NSSO.

The results show that out of the estimated 253.94 lakh employment by 2006-07 as many as 92 per cent will be accounted for by marginal sector. Even though there is a likely drop in the agriculture employment, it continues to be the single major provider with a share of about 50 per cent. Manufacturing employment is likely to expand from 36 lakhs to 43 lakhs and take a share of 18.5 per cent followed by Hotels and restaurants employment from 26.6 lakh to 32.2 lakh (share 13.8%), construction from 11.2 lakh to 16.1 lakh (share 7%) and transport sector from 7.5 lakh to 10.8 lakh (share 4.62%). For a growth rate of 8 per cent in GSDP there will be further addition of about 5 lakh work force almost all of which will be accommodated in the unorganised sector.

State Efforts to Mitigate Unemployment:

The State government has been pursuing an agenda for development 'to provide opportunities for a healthy and productive life' for all as the ultimate goal. This vision will be realised through the implementation of the 15 point programme of the State Government. For livelihood security the programme provides work for all and transition from unskilled to

skilled work, integrated attention not only to rural on-farm and non-farm employment but also to micro enterprises supported by micro credit.

The Employment Exchanges not only register the job seekers but also match the seekers to the needy. Promotion of self-employment is also achieved by providing information on the opportunities available.

As part of the Tamil Nadu Equitable Growth Initiative, a group has been constituted under the Chairmanship of Member Secretary, State Planning Commission to chalk out a strategy for maximising employment.

Unemployment Situation:

An assessment of unemployment situation, as brought out by the NSS estimates is briefly presented. NSS defines unemployment rate as the number of persons unemployed per one thousand persons in the labour force periodically through various Survey Results. These rates are considered as more refined indicator than the proportion of unemployed which tells the number of unemployed per one thousand persons in a population as a whole. The unemployment rates that prevailed at the national level over successive round results of which bring out the following facts:

- Overall unemployment rates are not high;
- Urban rates are higher than that of rural areas;
- Unemployed persons - day ratio are higher than the rates obtained for persons indicates a high degree of intermittent unemployment and
- Usual status (adjusted) unemployment as a proportion of the total population is very small.

Unemployment among Youth:

The degree of unemployment among the youth is an indicator of the under-utilisation of the labour force. One disquieting feature prevailing at the State and national level is the relatively higher unemployment level among youth. It is estimated by the survey that the persons aged 15-29 years accounted for 25-29 per cent of the total population. In the labour surplus economy like India many of the youths remain unemployed and some chronically unemployed. Some others though usually employed become intermittently unemployed for few weeks or days of the year due to seasonal fluctuations in the labour market. The latest survey results point a higher level of unemployment among youth, as compared to that of in the overall population. The unemployment rate was higher for the urban youth than that of rural. Compared to the female youth in male youths, the rate was higher in rural India.

Between the period 1993-94 and 1999-2000, the unemployment rates of youth have increased for males in rural and urban areas and for females in rural areas. The table below brings out the unemployment rates among youth in the Southern States and Maharashtra during 1999-2000.

Table -9 :Unemployment Rate among Youth (15-29 years) - Southern States & Maharashtra (1999-2000)

State	Usual Status		Current Daily Status	
	Rural	Urban	Rural	Urban
1. Andhra Pradesh	18	93	99	148
2. Karnataka	16	72	58	105
3. Kerala	217	250	363	343
4. Maharashtra	39	133	104	165
5. Tamil Nadu	51	100	181	156
All India	37	112	110	154

Source: Sarvekshana, October - March 2002, NSSO, GOI, New Delhi.

Among the major States, the unemployment rate among youth was higher in Kerala in both usual status and current daily status categories of rural and urban areas. As for Tamil Nadu, current daily status rural unemployment obtained at 181 during 1999-2000. Against all India rates, the state had higher rates of unemployment in respect of usual status (rural) and current daily status rural and urban areas.

Unemployment Rate among SC/ST Youth:

The unemployment rate during 1999-2000 for SC/STs was higher in males in urban areas according to US (adjusted) category. However, a higher unemployment rate in rural areas for both males and females of these two social groups according to CDS approach is being noticed. Among the Southern States, Kerala has the highest unemployment rate in all the categories except males in urban areas according to US (adjusted) sort followed by Tamil Nadu.

Table -10 : Unemployment Rate among SCs and STs - Southern State Profile

State	Rural				Urban			
	US (adjusted)		Current Daily		US (adjusted)		Current Daily	
	Male	Female	Male	Female	Male	Female	Male	Female
Andhra Pradesh	7	2	102	96	30	10	79	37
Karnataka	17	3	66	47	30	17	63	22
Kerala	69	66	245	148	41	127	204	166
Tamil Nadu	32	19	220	101	60	6	180	42
All India	16	4	80	36	49	12	89	23

Source: Sarvekshana, October-March 2002, NSSO, GOI, New Delhi.

Unemployment among the Educated:

In the 55th Round Results of NSS, unemployment rate of educated (secondary and above level) for the year 1999-2000 has also been brought out. This report brings to light that unemployment rate among the educated was higher than those with 'below secondary level' education. Unemployment rates that prevailed in Tamil Nadu and Kerala are higher than that of not only all India but also other neighbouring States (Andhra Pradesh and Karnataka) under both usual status (adjusted) and current weekly status.

Table -11 : Unemployment Rate - Educated 15+ Age Group

	US (Adjusted)		Current Weekly	
	Rural	Urban	Rural	Urban
Andhra Pradesh	68	69	100	77
Karnataka	45	55	56	59
Kerala	198	175	235	207
Tamil Nadu	106	66	123	75
All India	67	74	84	82

Source: Sarvekshana, October - March 2002, NSSO, Government of India, New Delhi.

Changing Trend in Agricultural Employment in Rural Tamil Nadu:

A disaggregated analysis of the NSS data to examine the farm and non-farm rural employment during 1980s and 1990s is attempted below. The NSS data for 1983, 1993-94 and 1999-2000 are used by surrogating the period into pre-reform (1983/1993-94) and post reform (1993-94 / 1999-2000) periods.*

Irrespective of the structural shifts that took place during the pre and post 1993 periods, agriculture continues to be the main stay for rural workers. Despite an absolute reduction in farm employment, there is increase in the share of both male and female employment in agriculture crop production during the post-reform period compared to the pre-reform period in Tamil Nadu. While share of male employment in field crop production activities rose to 91 per cent from 88 per cent, that of rural women employment in the same activity rose to 85.4 per cent from 83 per cent. In terms of employment absorption livestock activity followed with a share of 8.7 per cent for women employment. At the all India level there was relative stability during both periods. The share obtaining for crop production activity was 84 per cent and livestock 11 per cent in respect of female employment.

Box

National Rural Employment Guarantee Act, 2004

This is an Act to safeguard the right to work by providing guaranteed employment at the statutory minimum wage to at least one adult per household who volunteers to do casual manual labour in rural areas. The salient features of the Act are –

- making effective provision for safeguarding the right to work is a duty of the State under Article 41 of the constitution of India;
- safeguarding the right to work is also essential for the decentralization of other constitutional rights such as the right to life, right to food and right to education;
- providing guaranteed employment in rural areas would be a major step towards the decentralization of the right to work;
- a programme of guaranteed employment could also contribute to other important objectives such as infrastructural development, social equity, environmental protection and the empowerment of women;
- a decentralized approach to the provision of guaranteed employment would help to promote people's participation in development planning and local governance;
- to make certain supplemental, incidental and consequential provisions.

Under this Act, **every household in the rural areas of India** shall have a right to at least 100 days of guaranteed employment every year **for at least one adult member**, for doing casual manual labour at the statutory minimum wage and to receive the wages within 7 days of the week during which work has been done.

Source: Economic Survey, 2004-05, Government of India

It is evident that there is excessive dependence of rural workers on field crop production sector. Among the 14 major States, in eight States, the employment in crop production accounted for as high as 87.88 per cent. Although the excessive dependence on field crop production sector continued till the end of the nineties considerable restructuring of agriculture employment overtook in a number of States induced partly by shifts in domestic demand and partly by the opportunities thrown upon by the open economic regime. For example in Kerala there was a shift in employment from plantations to field crops production. This could be the consequence of rubber plantations going into deep trouble and

* This exercise based on the article Recent Changes in Agricultural Employment in Rural India : A State Level Analysis by G.K. Chadha and P.P.Sahu appeared in Agricultural Situation in India, August 2004.

consequent retrenchment of workers. Karnataka's post reform strategy seems to have favoured new crops like fruits, vegetables, flowers etc. Against this, in the non-crop sector, the proportion of employment was in the reverse direction.

Employment was expected to pick up primarily because the output growth was likely to pick up after reforms. Dwelling more on the labour displacing effects of these reforms it is believed that employment would not grow in the same proportion as that of output given the compulsion of installing a more capital intensive technology in many branches of production.

While the employment in agriculture flipped over from being positive in 1983-94 to negative during 1993-00 in Tamil Nadu. The growth rates of agricultural employment (crop sector) in respect of field crop production for two sub-periods: 1983/1993-94 and 1993-94/1999-2000 was from 0.57 per cent to (-) 1.30 per cent in Tamil Nadu, 2.35 per cent to 0.54 per cent in Andhra Pradesh against (-)3.25 per cent to 15.85 per cent in Kerala. Employment growth in non-crop segments (plantations, livestock and fishing) has been a mixture of increase and decreases. The rate of growth of employment of rural workers in the plantation sub-sector witnessed a precipitous decline from 5.68 per cent in 1983-94 to (-)1.02 per cent during 1993-00 in Tamil Nadu, from 1.73 per cent to (-)23.73 per cent in Kerala and from 1.42 per cent to (-)5.15 per cent in Karnataka.

As for the growth of Livestock Sector employment, a number of States experienced a higher growth rate of employment, (Karnataka 0.62% to 14.71%) during the six year period 1999-00. However, in a few States like Tamil Nadu [(-)3.83% to (-) 4.19%], Kerala [(-)5.43% to (-)1.83%] and in Andhra Pradesh [(-)0.68% to (-)1.83%] the deceleration was too steep. The livestock sector is not only the hope for the regions which have shown an improved employment performance in recent years but also an avenue for agricultural diversification in those regions which have not done too well in field crop production sector.

Employment in 'fishing sector' has witnessed a sizeable decline during 1993-2000; the growth rate declined from 5.78 per cent to (-)1.66 per cent in Tamil Nadu, 5.20 per cent to (-)12.99 per cent in Kerala and from 3.96 per cent to (-)2.14 per cent in Andhra Pradesh. At the National level, the decline was from 4.09 per cent to (-)6.37 per cent. Consequently, its employment base small as it has always been shrank further to extremely low levels during the post reform (1993-94 / 1999-2000) period.

Table 12 : Usual Status Rural Workers in Agricultural Sector – Southern States (%)

States / Category	Distribution of Workers			Growth in Agrl. Employment	
	1983	1993-94	1997-98	1993-94 / 83	1997-98 / 93-94
I	2	3	4	5	6
Tamil Nadu					
i. Agricultural Workers	74.4	70.3	68.3	0.50	-1.86
ii. Non-agricultural workers	25.1	29.6	31.7	2.52	-0.39
iii. Field crop production	86.20	86.79	89.84	0.57	-1.30
iv. Non-crop activities	13.80	13.21	10.16	2.52	-0.39
- Plantation	1.38	2.34	2.46	5.68	-1.02
- Livestock	11.07	6.97	6.00	-3.83	-4.19
-Agricultural services	0.11	2.70	0.38	37.07	-29.35
- Hunting, trapping etc.	0.01	0.03	0.00	-4.93	3.45
- Forestry & logging	0.65	0.36	0.50	3.87	-1.89
- Fishing	0.58	0.81	0.82	0.10	-6.03
Andhra Pradesh					
i. Agricultural Workers	79.9	79.3	78.8	2.16	0.15
ii. Non-agricultural workers	19.7	20.7	21.2	2.68	0.60
iii Field crop production	88.73	90.44	86.77	2.35	-0.54

1	2	3	4	5	6
iv. Non-crop activities	11.27	9.56	13.23	0.58	5.70
- Plantation	1.93	1.61	1.67	0.46	0.68
- Livestock	8.06	6.01	5.32	-0.68	-1.83
- Agricultural services	0.09	0.12	4.90	4.68	86.62
- Hunting, trapping etc.	0.21	0.08	0.00	15.42	-6.58
- Forestry & logging	0.24	0.87	0.57	3.96	-2.14
- Fishing	0.74	0.88	0.77	0.58	5.70
Karnataka					
i. Agricultural Workers	84.2	81.9	82.2	1.83	0.21
ii. Non-agricultural workers	15.5	18.1	17.8	3.54	-0.01
iii. Field crop production	83.98	85.92	92.73	2.06	1.48
iv. Non-crop activities	16.02	14.08	7.27	0.58	-10.23
- Plantation	4.26	4.11	2.95	1.42	-5.15
- Livestock	11.41	8.80	3.36	-0.62	-14.71
-Agricultural services	0.14	0.69	0.26	17.67	-14.36
- Hunting, trapping etc.	0.00	0.00	0.00	6.40	-12.86
- Forestry & logging	0.15	0.26	0.11	18.40	19.14
- Fishing	0.05	0.2	0.59	0.58	-10.23
Kerala					
i. Agricultural Workers	62.8	56.1	48.8	-0.92	-1.11
ii. Non-agricultural workers	36.9	43.9	51.2	1.79	3.96
iii. Field crop production	34.51	26.96	69.26	-3.25	15.85
iv. Non-crop activities	65.49	73.04	30.74	0.13	-14.55
- Plantation	39.50	52.09	10.98	1.73	-23.73
- Livestock	22.97	14.28	14.36	-5.43	-1.09
- Agricultural services	0.13	1.78	3.02	26.91	7.91
- Hunting, trapping etc.	0.02	0.00	0.00	1.40	-8.57
- Forestry & logging	0.60	0.79	0.49	5.20	-12.99
- Fishing	2.28	4.10	1.89	0.13	-14.55
All India					
i. Agricultural Workers	81.3	78.4	76.3	1.38	0.18
ii. Non-agricultural workers	18.7	21.6	23.7	3.23	2.31
iii. Field crop production	86.51	89.29	89.52	1.68	0.23
iv. Non-crop activities	13.49	10.71	10.48	-0.78	-0.23
- Plantation	2.14	2.30	1.83	2.01	-3.35
- Livestock	10.42	6.76	6.42	-2.70	-0.83
-Agricultural services	0.10	0.77	1.44	23.40	13.42
-Hunting, trapping etc.	0.02	0.00	0.00	1.89	-1.12
- Forestry & logging	0.36	0.38	0.39	4.09	-4.37
- Fishing	0.44	0.51	0.39	-0.78	-0.23

Source: Agricultural Situation in India, August 2004, Ministry of Agriculture, Government of India.

The unsatisfactory performance of practically the whole lot of Indian States that was primarily responsible for scaling down the rate of growth of agricultural employment at the National level. The labour-absorptive capacity of agriculture as a whole is under stress due to declining land man ratio, increasing marginalisation of holdings, labour-saving cropping pattern of adjustments, increasing mechanisation of field crop operations, increasing threat to domestic agriculture through open door trade policy etc. need to be reiterated in particular. The employment in the non-farm sectors in majority of the States have witnessed varying degree of improvements in transport, storage - communications, construction and manufacturing (agro-based). However, the pace of rural non-farm employment expansion has failed to compensate the sluggish labour absorptive capacity of agriculture. Thus the all-round setback in the non-farm sector is a matter of worry as it provides a major share of employment in rural economy. An accelerated pace of agricultural growth is the surest way of augmenting the pace of agricultural employment expansion.