

## 11. EMPLOYMENT

Unemployment and under-employment constitute one of the major problems of labour surplus economies. For a long time unemployment and under-employment were regarded primarily as symptoms of economic under development and the remedy was sought through promoting rapid economic development. Employment creation has always been the focus of planning and provision of employment opportunities to the work force is vital for livelihood security. This has become imperative keeping in view the structural transformation in the economy which in the wake of reforms is driven by competitiveness and efficiency with the emphasis on employability and possession of skill sets. The priority is to provide jobs to the majority who lack the required skills and who form part of the labour surplus pool abundant in the rural areas.

The magnitudes of employment and unemployment can be gleaned through the latest available sources such as Census 2001 and NSS Survey Results on Employment and Unemployment, 2004-05 for assessing the prevailing employment situation in the State. Data relating to Employment Market Information Programme (EMIP) provided by Department of Employment and Training is utilized for reviewing organised sector employment, which accounts for less than 10 per cent of the total employment.

### Census Estimates:

The population of the State estimated at 484.08 lakhs in 1981 had increased nearly one and a half times and reached 624.06 lakhs in 2001. The population growth was contained at lower levels through various family planning measures: the rate at 1.83 per cent in 1981 came down to 1.44 per cent in 1991 and further to 1.11 per cent in 2001. During these periods, the labour force grew at a relatively higher rates of 1.76 per cent, 2.06 per cent and 1.57 per cent respectively, which eventually increased the size of labour force. In contrast, the number of workers moved at a slower rate of 1.3 per cent in 1981, 1.82 per cent in 1991 and to 1.40 per cent in 2001 indicating the reduction in the employment absorptive capacity of the economy. The difference between the potential workforce and those who secure employment represent the unemployed.

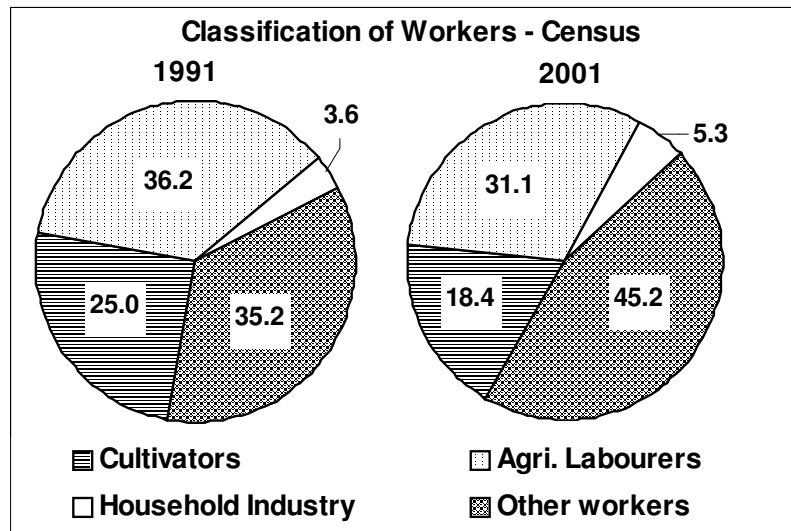
**Table - 1 : Population and Labour Force :Census Estimates**

	1981	1991	2001
			(lakhs)
Population	484.08	558.59	624.06
Labour force (20-59 years)	234.41	287.34	335.83
No. of workers	202.00	242.00	278.00
Proportion of labour force to total population	48.40	51.44	53.81
% of workers to labour force	86.21	84.22	82.78
% of non-workers	13.79	15.78	17.22

*Source: Census Documents.*

The workers having economically gainful activity for a major part of the year classified as 'main workers' numbered 237.58 lakhs as per 2001 Census as against 227.98 lakhs in 1991. Against this, the number of "marginal workers" increased from 13.94 lakhs to 41.20 lakhs between 1991 and 2001 indicating the greater degree of casualation.

Census further classifies the workers (both main and marginal) into four industry groups, viz., Cultivators, Agricultural Labourers, Household Industries and Other Workers. The declining share of cultivators and household industry groups was apparently seen in the past two decades. Against the sliding share of



cultivators from 42 per cent in 1961 to 25 percent in 1991 and further to 18.4 per cent in 2001, the share of agricultural labourers increased from 18.4 per cent in 1961 to 36.2 per cent in 1991 and later decreased to 31.1 per cent in 2001.

**Table - 2 : Population and Labour Force :Census Estimates**

Industry Group	(lakhs)					
	1961	% share	1991	% share	2001	% share
1.Cultivators	64.55	42.0	60.42	25.0	51.14	18.4
2. Agricultural labourers	28.28	18.4	87.57	36.2	86.65	31.1
3.Household Industry	20.60	13.4	8.70	3.6	14.59	5.3
4.Other Workers	40.27	26.2	85.25	35.2	125.74	45.2
Total Workers	153.70	100.0	241.94	100.0	278.12	100.0

Source: Census Documents.

### National Sample Survey Estimates:

The NSS data provide an overview snapshot on the employment situation in Tamil Nadu. The latest Survey results relating to 2004-05 when compared to that of the previous one (1999-2000) offer insignificant patterns of employment.

Like in earlier round, the 61st rounds has estimated the employment in terms of three different status viz. usual status with a reference period of one year, current weekly status with one week reference period and current daily status based on the daily activity pursued during each day of the reference week

### Usual Status:

The estimate of employment according to the **usual status** gives the **number of persons who worked relatively for a longer part of 365 days preceding the date of Survey**. The number of persons employed per thousand population is referred to as work force participation rate. The labour force participation rate is defined as the number of persons (economically active population) in the labour force per thousand population. The two sets of data presented below are the indicators to assess the size of labour force

and employment. The study on the pattern of fabrication of LFPR and WPR among the rural-urban and male-female categories brings out the following facts:

- The State's Labour Force Participation Rate (LFPR) has increased by 1.3 percentage points; against which the Work Participation Rate (WPR) rose by 1.7 percentage points.
- Among the rural and urban LFPR the latter had gained 2.4 percentage points than that of former which had gathered 1.1 points.
- The LFPR of females had shown a higher percentage points increase (2.6) than its counter part (0.6).
- Regarding WPR of the population, it is observed that while urban segment had increased by 2.5 percentage points rural had improved by 1.5 percentage points.
- The increase in WPR of females was higher at 2.5 points than that of males at 1.2 points.
- If the change in LFPR is juxtaposed with the change in WPR, it is understood that work opportunities in rural areas have increased faster than in urban areas. The increase in female WPR does not correspond to the increase in LFPR, whereas in male, against 0.6 per cent increase in LFPR, WPR had registered an increase of 1.2 percentage points.

**Table – 3 : Labour Force & Work Participation Rate : Tamil Nadu**

(persons per 000 population)

	Labour Force Participation Rate		Work Participation Rate	
	1999-00	2004-05	1999-00	2004-05
Rural Male	610	604	594	597
Rural Female	434	467	430	461
Rural Persons	523	534	513	528
Urban Male	585	611	563	593
Urban Female	227	253	215	241
Urban Persons	410	434	393	418
Total Male	601	607	583	595
Total Female	359	385	352	377
Total Persons	482	495	469	486

*Source: NSS 55th and 61st Round Results.*

The employed persons under the “usual status” category are grouped into three broad sections on the basis of the status of employment viz. self employed, regular employee and casual labour. The statement below brings out the significantly increasing share of self-employment and declining casualisation particularly.

**Table – 4 : Composition of Usual Status Employment**

(Percentage)

	Rural			Urban		
	Male	Female	Persons	Male	Female	Persons
Self Employed	39.9 (35.8)	46.1 (38.0)	42.7 (36.7)	38.0 (33.0)	44.3 (39.4)	39.8 (34.7)
Regular Employee	13.4 (15.3)	6.6 (6.9)	10.4 (11.8)	45.2 (45.4)	41.2 (40.7)	44.1 (44.1)
Casual Labour	46.7 (48.9)	47.3 (55.1)	47.0 (51.5)	16.7 (21.6)	14.5 (19.9)	16.1 (21.2)

(Corresponding previous round results are given in brackets)

*Source: NSS 55th and 61st Round Results.*

In the usual status employment, proportion of Casual Labour was high (51.5%) in rural areas followed by self-employed (36.7%) and regular employed (11.8%) in 1999-2000. Though the order of predominance remained same, the proportion of casual labour in the usual status category in rural areas had declined to 47.0 per cent in 2004-05 while that of self-employed had increased to 42.7 per cent. The Poverty Alleviation Programme viz., 'Swarnajayanthi Gram Swarozgar Yojana (SGSY)' launched in April 1999 had assisted the poor families and uplifted some of them above the poverty line by organising a number of Self Help Groups in the rural areas and motivated them to pursue some economically gainful activities. This programme has also helped sections of the rural population to enter the self-employment category.

In the urban areas the 'regular employee' category dominates with 44.1 per cent followed by the 'self employed' segment which had widened to 39.8 per cent by accommodating the drop-outs from the casualisation category (5.1%).

### Industry-group-wise Classification of Employment:

The pattern of distribution of usual status employment across different economic activities is illustrated in the following table. The share in agriculture and allied sector had declined from 49.8 per cent in 1999-2000 to 46.3 per cent in 2004-05. In contrast, the manufacturing sector attracted relatively greater number of persons as indicated by its relative share which had increased from 18.3 per cent in 1999-2000 to 19.6 per cent in 2004-05. This trend is apparently noticed in construction sector (5.0% to 6.2%) and marginal increase in the sector of 'trade, hotels and restaurants' (11.6% to 11.9%).

**Table - 5 : Distribution of Usual Status Employment (%)**

Sector	Rural		Urban		Combined	
	1999-2000	2004-05	1999-2000	2004-05	1999-2000	2004-05
1. Agriculture & Allied	67.9	65.4	8.9	8.3	49.8	46.3
2. Mining & Quarrying	0.5	0.3	0.4	0.4	0.5	0.3
3. Manufacturing	13.9	14.0	28.2	30.9	18.3	19.6
4. Electricity, Gas Water supply	0.2	0.1	0.7	0.5	0.4	0.2
5. Construction	4.0	5.7	7.3	7.1	5.0	6.2
6. Trade, Hotel & restaurant	5.6	6.4	25.3	22.3	11.6	11.7
7. Transport Etc.	2.6	2.8	8.8	7.9	4.5	4.5
8. Finance, Business etc	0.6	0.8	4.1	6.7	1.7	2.8
9. Public administration etc.	4.7	4.7	16.3	15.9	8.3	8.4

Source: NSS 55<sup>th</sup> and 61<sup>st</sup> Results

### Unemployment Rate:

NSS has also estimated the unemployment rates in Usual Status, Current Weekly and Current Daily Status, as in the case of employed. As per NSS, the **unemployment rate is defined as the number of persons unemployed per 1000 persons in the labour Force (include both employed and unemployed)**. This rate may be considered as a more refined indicator to assess the unemployment situation than the proportion of unemployed which relates to the number of unemployed per 1000 population. The unemployment rates for the years 1999-2000 and 2004-05 are as follows:

**Table - 6 : Unemployment Rate per ‘ 000’ Labour Force**

	Usual Status		Current Weekly		Current Daily	
	1999-2000	2004-05	1999-2000	2004-05	1999-2000	2004-05
Rural	20	12	44	30	135	151
Urban	40	35	52	49	89	83

*Source: NSS 55<sup>th</sup> and 61<sup>st</sup> Results*

The reduced unemployment rates in Usual status and Current weekly status are seen from the above Table. However, rural unemployment rates by Current Daily status had increased visibly while the urban had a fall. In rural areas, current daily status unemployment rate is a significant indicator. Though chronic unemployment has come down, to the extent due to various schemes implemented, the rise in the current daily status unemployment calls for appropriate employment strategies.

#### **NSS Estimates : Tamil Nadu and All-India:**

The performance of Tamil Nadu vis-a-vis all India seems to suggest that Tamil Nadu is in a relatively better position.

- the size of LFPR and WPR of Tamil Nadu were greater than that of All-India both at the rural and urban areas during 2004-05;
- employment absorption capacity of Tamil Nadu was more than that of All-India, as witnessed by the WPR; and
- female employment in the rural and urban segments of the State was increasing at a much faster rate than at all India level due to reduction in female literacy rates

#### **Economic Census, 2005:**

The employment picture over a wider canvass and also covering the non-formal sectors can be gleaned from the Economic Census data. The Central Statistical Organisation conducted the Fifth Economic Census in 2005 in all the States. As in the third and fourth Censuses all the agricultural and non-agricultural enterprises excepting those engaged in crop production and plantations are covered. This Census provides basic entrepreneurial data for planning and development of unorganized sector of the economy. Data relating to enterprises employing 10 or more workers were collected in this Census.

A brief write up on the provisional results of the Fifth Economic Census pertaining to the State is presented below. According to this Census, an estimated 44.47 lakh enterprises functioning in Tamil Nadu are engaged in different economic activities other than crop production and plantation. Out of which, 27.37 lakhs (62%) are in the rural and the remaining 17.10 lakhs (38%) are in urban areas. The State's total enterprises accounted for 10.6 per cent of the National average number of enterprises (421.34 lakhs). Of the 98.67 lakh total employees in Tamil Nadu, more than one half of them (52.6%) are hired workers and 28.6 per cent are female workers.

**Table - 7 : Enterprises and Employment : Economic Census**

	Enterprises(Lakhs)		Employees(Lakhs)		Employees/ Enterprise	
	1998	2005	1998	2005	1998	2005
Rural	14.08	27.37	35.83	51.88	2.5	1.9
Urban	11.06	17.10	36.08	46.78	3.3	2.7
Combined	25.14	44.47	71.91	98.67	2.9	2.2

Source: 1. Fourth Economic Census, Government of Tamil Nadu

2. Provisional; Results of Fifth Economic Census, Government of India

From the above table, it is noticed that the number of employees per enterprise had been reduced considerably from 2.9 in 1998 to 2.2 in 2005. This reduction seen both in the rural and urban segments suggests increasing modernization, upgradation and machanisation of the enterprises, apart from merger of smaller units and sharing of labour.

### Organised Sector Employment:

Employment in the “Organised Sector” category has been declining over the years: from 22.82 lakhs in 2003-04 to 22.79 lakhs in 2004-05 and 22.31 lakhs in 2005-06. The increasing employment opportunities from the “Unorganised Sector” category along with intentional downsizing of employment in the public sector employments had reduced the share of overall organised sector employment.

**Table - 8 : Organised Sector Employment**

(000s)

Category	2003-04	2004-05	2005-06
Public Sector	1540.3	1512.8	1500.8
Private Sector	741.3	765.9	729.7
Total	2281.6	2278.7	2230.5

Source: Department of Employment and Training, Chennai-32

### Public Sector Employment:

The employment in the public sector establishments at 15.13 lakhs in 2004-05 declined to 15.01 lakhs in 2005-06. Overall shedding of 12000 employment opportunities came from State Government (5200) Central Government (4900) and local bodies (2300). The smaller addition to the tune of 400 in the quasi government category could not make good the heavy losses.

**Table - 9 : Pattern of Employment : Public Sector**

(000s)

Category	1995-96	%Share to Total	2004-05	%Share to Total	2005-06	%Share to Total
Central Government	237.7	14.4	235.8	15.6	230.9	15.4
State Government	679.3	41.3	587.2	38.8	582.0	38.8
Quasi Government	486.2	29.6	513.2	33.9	513.6	34.2
Local Bodies	242.3	14.7	176.6	11.7	174.3	11.6
Total (Public Sector)	1645.5	100.0	1512.8	100.0	1500.8	100.0

Source: Department of Employment and Training, Chennai - 35.

Among the four constituents of public sector employment, the State Government accounts for a major share of 39 per cent followed by Quasi Government (34%), Central Government (15%) and Local bodies (12%). In the decadal period (1995-2006) the pattern of employment in the public sector had changed. The share of State Government had declined from 41 to 39 per cent and that of Local Bodies from 15 to 12 per cent there was an increase in the relative share of Central Government from 14 to 15 per cent and that of Quasi Government from 30 to 34 per cent.

### Private Sector Employment:

In the case of private sector employment, the number employed which stood at 7.41 lakhs in 2003-04 had increased to 7.66 lakhs in 2004-05 and then declined to 7.30 lakhs by the end of 2005-06.

### Organised Sector Employment: By Economic Activity:

Organised sector employment as per the revised National Industrial Classification (NIC) 1998 is sorted into fifteen economic activity groups.

**Table - 10 : Economic Activity -wise Classification of Organised Sector Employment**

NIC Code	Economic Activity	2004-05			2005-06		
		Public	Private	Total	Public	Private	Total
A	Agriculture, Hunting & Forestry	30.6	52.3	82.9	29.5	49.0	78.5
B	Fishing	1.0	0	1.0	1.0	0	1.0
C	Mining & Quarrying	22.8	4.4	27.2	22.9	3.7	26.6
D	Manufacturing	89.0	442.2	531.2	86.9	395.5	482.4
E	Electricity, Gas & Water Supply	62.6	8.3	70.9	61.2	0.9	62.1
F	Construction	45.0	2.5	47.5	46.0	3.5	49.5
G	Trade & Repair of Motor Vehicles etc.	34.8	32.3	67.1	35.7	32.0	67.7
H	Hotels and Restarants	0.9	16.0	16.9	0.9	16.2	16.9
I	Transport, Storage & Communication	297.2	7.0	304.2	294.5	7.1	301.6
J	Finance Intermediation	118.8	12.4	131.2	117.7	12.4	130.1
K	Real Estate, Renting & Business Activities	21.8	7.4	29.2	22.2	9.3	31.5
L	Public Administration, Defense, Social Security	337.5	0.7	338.2	327.4	0.1	327.5
M	Education	208.1	150.2	358.3	209.7	170.6	380.3
N	Health & Social Work	229.3	24.0	253.3	231.3	24.1	255.4
O	Other Community, Social and Personal Services	13.6	6.2	19.8	13.8	5.2	19.0
	<b>Total</b>	<b>1512.8</b>	<b>765.9</b>	<b>2278.7</b>	<b>1500.7</b>	<b>729.7</b>	<b>2230.4</b>

Source: Department of Employment and Training, Chennai - 35.

Of all the groups, the main three groups, viz., 'manufacturing', 'education' and 'public administration, defence and social security' account for more than fifty per cent of the State's total organised sector employment.

### Organised Sector Employment: By Districts:

The district-wise spread of organised sector employment is analysed to understand the absorptive capacity of each District. Eight districts viz. Chennai, Coimbatore, Tiruchirappalli, Vellore, Salem, Madurai, Virudhunagar and Krishnagiri together takes away more than fifty per cent share of the State's total employment. The increased share of each of the above districts has pushed the overall share (eight district total) from 53 per cent in 2004-05 to 55 per cent in 2005-06. District-wise employment data are given in Part-II (Statistical Tables) of this document.

**Table - 11 : Distribution of Organised Sector Employment : Toppers**  
(%)

District*	2004-05			2005-06		
	Public	Private	Total	Public	Private	Total
1. Chennai	21.4	9.1	17.2	21.5	9.8	17.6
2. Coimbatore	6.2	11.3	7.9	6.3	12.6	8.4
3. Tiruchirappalli	6.7	2.7	5.3	6.4	2.9	5.3
4. Vellore	4.9	5.8	5.2	4.5	6.6	5.2
5. Salem	5.2	4.3	4.9	5.2	4.6	5.0
6. Madurai	5.0	4.0	4.6	5.0	4.1	4.7
7. Virudhunagar	2.0	7.8	4.0	2.1	8.7	4.2
8. Krishnagiri	4.0	3.5	3.8	4.1	3.8	4.0
Total (No. in lakhs)	15.13	7.66	22.7	15.01	7.30	22.30

\*Districts with more than 4.0 per cent share alone are listed.

Note: Sub Employment Office at Hosur was upgraded at District Employment Office as Dharmapuri District Employment Office with effect from 1.10.2005.

Among the above districts, Chennai, the capital district provided greater employment opportunities both at public and private sectors compared to other districts. The share of Coimbatore district had increased from 7.9 per cent in 2004-05 to 8.4 per cent in 2005-06 which indicates the widening of private sector employment.

### Employment Exchange Statistics:

Employment exchange statistics, besides the fact that the registrations are purely voluntary, sheds some light on the unemployment situation prevailing in the State. The 'Number of applicants on the live register' indicates not only the number of unemployed persons but also their educational levels. A total number of 35 Employment Exchange Offices are functioning in the State as at the end of 2005-06. The number of 'applicants on Live Register' as on 31st March 2006 was 37.67 lakhs which had declined from 38.35 lakhs in the previous year. This reduction in the back-log of Employment Exchanges clearly points out the self confidence and potential of the labour force in getting a job. Of the total 37.67 lakh applicants, women accounted for 41.5 per cent (15.63 lakhs). Number of registrations effected during 2005-06 was 6.37 lakhs as against 4.83 lakhs in 2004-05. Vacancies notified to these exchanges during the current year was 24500, of which 16200 were placed in employment. The percentage of placement to registration during 2005-06 was 2.54 per cent as against 1.6 in 2004-05.

**Table - 12 : Employment Exchange Statistics**

	Unit	2004-05	2005-06
1. Employment Exchange Offices	No.	34	35
2. Registrations effected	`000's	483.0	636.9
3. Vacancies notified	`000's	38.0	24.5
4. Placements made	`000's	18.0	16.2
5. Applicants on Live Register	`000's	3835.0	3767.4

Source: Commissioner of Employment & Training, , Chennai -32.

The registrations in the northern districts such as. Chennai, Kancheepuram, Vellore and Thiruvannamalai had considerably come down while it had increased in southern districts during 2005-06.

**Table - 13 : Job Seekers : By Educational Level  
(End of December)**

	2004	% Share	2005	% Share
SSLC or equivalent	12.84	42.5	7.74	31.4
PUC / Under Graduates	8.08	26.7	7.39	30.0
Diploma Holders	1.93	6.4	2.34	9.5
Graduates	6.12	20.3	5.88	23.9
Post Graduates	1.23	4.1	1.27	5.2
Total	30.21	100.0	24.62	100.0

(Lakh nos.)

Source: Commissioner of Employment & Training, , Chennai -32.

The educational level of job seekers as per live register indicates that nearly 65 per cent of them had studied above SSLC or equivalent qualification. By the end of December 2005, total number of `educated job seekers' was 24.62 lakhs as against 30.21 lakhs in the corresponding period of the previous year. Immediate absorption of the Graduates by the Private sector and Multi National companies especially in the IT and ITES had enforced this impact. Job seekers with SSLC or equivalent qualification accounted for a major share of 31.4 per cent followed by PUC or equivalent (30.0%) and Graduates (23.9%).

### **Employment in the Service Sector:**

Given the constraints in providing employment in the primary sector, the remedy that intuitively suggest itself is to provide employment in the rural non-farm employment sphere. Shifting of the working force from the primary sector to the manufacturing sector is not easy and there are constraints in the medium and large scale absorption of the surplus labour from the primary sector into the manufacturing sector fold. Of late, the strident growth of the services sector offers a ray of hope to the policy makers since anecdotal evidence seems to suggest that the service sector has been able to absorb significant proportion of the work force. However, this absorption is also skewed heavily in favour of skilled and technically qualified manpower and contents to exclude the significant sections of the potential work force. In the unorganised segments of the service sector, there have been signs of increasing employment avenues to be had particularly in the urban areas and semi-urban areas.

Tamil Nadu's strength in the service sector is reflected in the relatively high share of the service sector in the State's GSDP.

## IT & ITES:

Tamil Nadu is one of the IT hubs and was the first State in India to come out with an IT policy in 1997 which is reviewed from time to time. The proposed policy comprehensively would cover all sectors of IT industry software, IT Enabled services, Business Process Outsourcing, Product Development, Knowledge Process Outsourcing (KPO)etc. For IT hardware manufacturing and Biotechnology, a separate policy would be formulated with this backdrop. In response to the Union Budget, 2005-06 that visualised around seven million jobs in the IT sector, the State is anticipating to witness a tremendous employment generation (around one million jobs) in these fields in the next four years.

The IT & ITES industrial groups had emerged as an important organised sector contributing to Tamil Nadu economy and have high employment potential. This group has a high potential size of output exceeds US\$90-95 billion (IT group) and US\$50-55 billion (ITES) by 2015. While IT has a projected growth of 19-20%, ITES is anticipated to grow at an annual rate of 22-23 per cent. Tamil Nadu has the potential to emerge as the leading IT State and is the second largest IT/ITES exporter in India with exports exceeding US\$ 2.2 billion in 2004-05 (Confederation Of Indian Industries-C11 Report on Manpower Planning, 2005).

Multiple reasons attributed for the annual addition of two lakh jobs in the State are the changes in infrastructure facilities over the last few years. Chennai has attracted significant investments in IT and ITES industries since there is no let up in this development which is based on excellent infrastructure availability of a pool of trained manpower. In addition to sustaining the momentum of growth of the IT industry in Chennai, New Foci of IT investment is being channalised to second tier towns such as Coimbatore ,Salem,Trichirapalli and Madurai.

### Organised Sector Employment - National Level:

The organised sector employment at 267.35 lakhs during 1991 at the National level had moved gradually to 277.90 lakhs in 2001 which thereafter slided to 270.00 lakhs in 2003. The details are presented below:

**Table - 14 : Organised Sector Employment - By Industry Group**  
(Lakh persons)

	1991		2001		2003	
	Public	Private	Public	Private	Public	Private
1. Agriculture, Hunting etc.	5.56	8.91	5.02	9.31	5.06	8.95
2. Mining & Quarrying	9.99	1.00	8.75	0.79	8.47	0.66
3. Manufacturing	18.52	44.81	14.30	50.13	12.60	47.44
4. Electricity, Gas	9.05	0.40	9.35	0.52	9.13	0.50
5. Construction	11.49	0.73	10.81	0.57	9.48	0.44
6. Wholesale & Retail Trade	1.50	3.00	1.63	3.39	1.82	3.60
7. Transport, Storage & Communication	30.26	0.53	30.42	0.76	29.39	0.79
8. Finance, Insurance, Real Estate etc.	11.94	2.54	12.81	3.70	13.77	4.26
9. Community, Social & Personal Services	92.27	14.85	98.30	17.34	96.09	17.56
	190.58	76.77	191.38	86.52	185.80	84.21

Source: Economic Survey, 2005-06, Government of India.

The public and private sector employment was in the ratio of 69:31 in 2003 as against 71:29 in 1991 like in the State Sector. Among the nine industry groups 'Community, Social and Personnel Services (51.7%) in the public sector category and 'Manufacturing' (56.3%) in the private sector were the highest employment providers.

### **Welfare of the Unorganised Sector Employees:**

Of the total Labour Force, unorganised employment accounts for about 92 per cent. The welfare of employees under this fold are ensured through welfare boards constituted under the provision of Tamil Nadu Welfare Fund Act,1972. These Boards are functioning since 1975 for implementing and executing various welfare schemes. For the welfare fund contributions are accepted from employees and employers in the ratio of 1:2,for which Government also extend equal amount of the employees contribution. This apart, the Board receives fine amount imposed by the courts and share of compounding fees (90%) imposed by the Labour Department for violations of rules and regulations. The schemes implemented through this Board are:

- Tailoring Classes for the women dependents;
- Maintaining crèches for working mothers wherein 2197 children in 2-5 age group have been admitted; nutritious mid-day meals along with milk and periodical medical check-ups are being provided;
- Scholarships for Higher secondary and professional courses are provided for children of the subscriber workers;
- Cash awards to the tune of Rs.1000 to the Toppers of 10<sup>th</sup> and 12<sup>th</sup> public exams and Rs.500 for next follower in each;
- Book allowance to the children of the subscriber;
- Reimbursement of the spectacle cost to the extend of Rs.400 per worker and that of Hearing aid (Rs.1000 per worker);
- Funeral expenses assistance to the tune of Rs.1500;
- Separate T.B. wards with beds for the benefit of workers in Tambaram and four other places; and
- Holiday homes at Mamallapuram, Courtallam and Valparai for the stay of workers along with family members.

In the State 'Tamil Nadu Construction Workers Welfare Board' is functioning from 1994, under the Chairmanship of Commissioner of Labour. The Tamil Nadu Manual Workers' Social Security and Welfare Scheme 2001 is expanded to 60 more employments against 67 mentioned in the schedule of Tamil Nadu Manual Workers Act,1982. As this scheme include various employments, the State has decided to form separate welfare boards for about ten employments viz., Auto Rickshaw & Taxi drivers, Tailors, Hairdressers, Washermen, Palm tree workers, Handicraft workers, Handloom& Silk weavers, Footwear,& Leather Goods manufactory and Tannery workers, Artists and Goldsmith .

The imperative of providing a medium of security to the retired and old age employees in the unorganised sector pension and social security schemes are on the anvil. This is an issue that has been increasingly debated in the context of formulating appropriate social security measures.

## **Skill Development:**

For economic growth and social development, human skills and knowledge are the driving forces through which the economy becomes more productive and innovative. Cross country experiences suggest the importance of providing skills to the workforce. This has become imperative since transformation of economics in various countries in the wake of globalisation poses a challenge to the manpower planning as also redeployment of labour in the wake of changes in industrial progress. Countries with higher levels of skills could effectively adjust to the challenges thrown open by globalisation. There are three skill development models being practised in various countries. The first model practiced in Singapore and China is Government driven wherein State plays a leading role in co-ordinating the demand for and supply of skills. The company driven approach is followed in Japan. Through this approach the educational system provides a basic skill which is then built upon by the employers through intensive off and on the job training. The co-operative approach practised in Germany is the third model. The organisation and traded unions cooperate strongly for planning and delivery of training programmes. Vocational training is a concurrent subject of both Central and State Governments. At the National Level Directorate General of Employment and Training, Ministry of Labour is the nodal department for offering training courses. Day to day administration of Industrial Training Institutes (ITIs) lies with the respective State Governments / Union Territories besides, opening new institutes and conducting training programmes through these ITIs. State Governments set up State Council of Vocational Training which advises the State Governments regarding vocational training at the State level Union. In 2004-05, Union Finance Minister's Budget Speech, the need to impart training on pace with technological demands of the Industry was stressed. To meet the demand for specific skills of a high order, a public-private partnership between Government and industry is proposed in Budget Speech 2005-06 for promoting skill development programmes under the name 'Skill Development Initiative'.

To sum up, the challenge of providing employment to the vast reservoir of employment seekers is a formidable one. In response to this challenge, a multi-pronged strategy has been conceived which aims at deepening and increasing the availability of employment opportunities to the vast multitudes of unskilled labour by a combination of Poverty Alleviation Programmes with employment components and also a safety net in the form of the recently launched NREGA. The manufacturing sector in which Tamil Nadu has demonstrated its leadership also has the potential for absorbing labour with the requisite skill sets - Textiles, Auto Ancillaries are important in this regard. Provision of vocational and technical education, therefore, has been assigned priority to ensure adequate supply of labour with the requisite skill sets. The rapidly expanding service sector also throws up a challenge in terms of equipping the work force with the required minimum soft skills which are indispensable like in the Tourism, Hospitality, Retail sectors, to name a few. The success of the IT and ITES sectors in providing employment has been well established and recognised as such. Here, the task is to sustain the leadership by increasing the availability of employable technically qualified personnel with adequate communication and soft managerial skills. In the ultimate analysis, provision of employment is driven by the State's desire to provide livelihood security and also social justice with equity.