

1.3 EMPLOYMENT PERSPECTIVE

The generation of adequate work opportunities for the growing labour force has been one of the central objectives of Indian development planning since its very inception. Productive employment is not merely a means to the ultimate end of economic well-being and poverty reduction, but is an important end in itself.

The Employment Perspective for the National Tenth Plan with an indicative list of labour intensive sectors where employment-generating growth can be rejuvenated if right kind of sectoral policies are put in place are indicated in the Tenth Plan document of the Union Planning Commission as set out below.

- The overall growth rate of employment has reduced over time. The decrease in employment intensity of output growth can be explained by increase in both capital intensity and labour productivity. In the Tenth Plan, matching job opportunities against a potential job demand of more than 70.14 million person years (i.e., 34.85 million base period unemployment and 35.29 million new labour entry net of exits) need to be created.
- During the Tenth Plan 50 million job opportunities would be created. Out of this, nearly 20 million person years of employment opportunities will be created by selective innovative programmes and policies leading to a changed pattern of growth in favour of labour intensive sectors; the remaining 30 million will come from the normal buoyancy of growth as perceived over the recent past (1993-94 to 1999-2000).

Labour Intensive Sectors which require policy intervention

Agriculture and Allied Activities

- There is a need to step up public investment in agriculture. Simultaneously, bringing additional acreage under cultivation of oilseeds and pulses by switching from cereals holds substantial potential for employment generation. Horticulture, farm management programmes, agri-clinics and seed production are other potential areas for employment generation.
- Re-generation of degraded forests, watershed development and highly labour intensive activities.
- Wasteland Development.
- Development of Medicinal Plants and Energy Plantation, which have high growth and employment potential.
- Minor irrigation.
- Cultivation of Bamboo and manufacturing of bamboo based products.

Food Processing

Rural Non-farm Activities / Industries, including Khadi and Village Industries
Small and Medium Enterprises

Services Sectors

- Health
- Nutrition
- Education
- Information technology and communication

[from chapter 5 “Employment Perspective” in Planning Commission’s Tenth Plan document- Vol. 1]

Recognising the problem, the Planning Commission, Government of India established a Task Force on Employment Opportunities under the Chairmanship of Shri Montek S. Ahluwalia, then Member, Planning Commission to examine the existing employment and unemployment situation in the country and to suggest strategies for employment generation for achieving the target of providing employment opportunities to 10 crore people over the next ten years, i.e. one crore on average per year.

The strategy for employment generation recommended by the Task Force is based on intervention in five major areas:

- *Accelerating the rate of growth of GDP*, with a particular emphasis on sectors likely to ensure the spread of income to the low income segments of the labour force.
- Pursuing *appropriate sectoral policies in individual sectors which are particularly important for employment generation*. These sector level policies must be broadly consistent with the overall objective of accelerating GDP growth.
- Implementing *focussed special programmes* for creating additional employment of enhancing income generation from existing activities aimed at helping vulnerable groups that may not be sufficiently benefited by the more general growth promoting policies.
- Pursuing suitable policies for *education and skill development*, which would upgrade the quality of the labour force and make it capable of supporting a growth process which generates high quality jobs.
- Ensuring that the *policy and legal environment governing the labour market* encourages labour absorption, especially in the organized sector.

The above report of the Task Force on Employment Opportunities under the chairmanship of Montek Singh Ahluwalia, then Member, Planning Commission was submitted in July 2001. It was in pursuance of the announcement of the then Prime Minister to the nation that the government is committed to “*create ten crore employment opportunities over a period of ten years*”.

However, it was considered that the Task Force assumed that the recent trend in labour intensities in the various sectors of the economy would continue to prevail, and it concentrated primarily on the major macroeconomic policy changes that would be required to increase the growth rate of the economy sufficiently in order to generate the requisite employment opportunities to absorb the projected increases in the labour force. The Task Force assessed the requirement of job creation to be lower than ten million per year. The Task Force had, in its deliberations, not paid adequate attention to the issue of the large backlog of underemployment, which is perhaps as pernicious a problem as open unemployment. Once this is taken into account, the target of ten million job opportunities per year becomes essential. While acceleration of the growth rate is essential to tackling the employment issue, the possibility of increasing employment intensities through appropriate policy interventions at the sectoral and regional levels should not be disregarded.

In order to address *inter alia* these issues, the Planning Commission constituted the Special Group on Targeting Ten Million Employment Opportunities per Year under

the chairmanship of Dr. S.P. Gupta, Member Planning Commission. The Report of this Group indicated that it is possible to increase labour intensities in the economy and to reduce underemployment through well-designed policy and programme interventions which take into account sectoral and regional specificities.

The first task of the group was to examine, in broad macro terms, activity sectors of high potential for generating employment in the future. The unorganized sector has the highest labour content of output with high employment elasticity (0.213 in 1999-2000) whereas organized private sector has the lowest (0.066), i.e., almost a jobless growth. In 1999-2000 the total contribution to employment by the organized sector was only 8% of which private sector segment's contribution was hardly 2.5%. Rest 92% came from the unorganized sector. The Group concluded that for generating the desired high level of employment, it is the unorganized sector including small and medium enterprises that has to be targeted.

Appropriate programmes and policies should be devised for suitable reallocation of capital in favour of labour intensive industries. At the sectoral level, the Group identified sectors such as agriculture, (including social forestry, animal husbandry, fisheries, horticulture), small and medium industries, construction, tourism, information technology, financial sector, education and health, where large potential of new job opportunities exists. Because of the limited absorbing capacity for additional employment in the organized sector, education and development of vocational skills may be oriented primarily towards the needs of the unorganized sector. A policy framework at a national level on the provision of social security to different group of workers should be adopted. Specifically, the Group recommended extending the reach of provident fund schemes and employees' state insurance schemes to unorganized sector through innovative approaches. A more broad based social security system will smoothen the process of rationalization of labour laws.

Peculiar Features of Tamil Nadu

The problem of poverty is directly related to the existence of unemployment, underemployment and low productive employment. These affect most acutely the population in the rural area whose main-stay is in agriculture which continues to be monsoon dependent. The State of Tamil Nadu is no exception. In fact, the problem is compounded by certain peculiar features of the State. After exploring nearly the entire ultimate irrigation potential, the State could bring about only half of the net sown area under irrigation. Unlike most of the northern States, major sources of irrigation in Tamil Nadu are tanks and wells which are dependent on rainfall. Again, unlike the rest of the country, the erratic North-East monsoon is of more importance to the State than the South-West.

Petty land holdings is a special characteristic of the Tamil Nadu's agriculture. While at the national level marginal holdings accounted for 59% of the total operational holdings, that for Tamil Nadu is as high as 73%. The average size of more than two-thirds of the holding is less than half a hectare. Disguised employment is acute among small and marginal farmers and agricultural households. Landless rural households account for over 60% in the State. This is substantially higher than the national ratio at 36% and that for the southern States like Andhra Pradesh (48%), Karnataka (35%) and Kerala (42%).

Although the State had witnessed a significant growth in agriculture productivity, there has been an increasing instability in overall production mainly due to lack of

assured irrigation. The State has over 73 DPAP Blocks where the rainfall is scanty. The delay or failure of monsoons create a scarcity situation and agricultural activities come to a stand-still reducing employment opportunities in the farm sector. Therefore, seasonality factors play a vital role in determining the level of employment and thereby the income of the rural labour force.

The capacity of the agricultural sector to absorb additional labour force has been severely constrained. The rural industrialization process has not also been able to generate new employment opportunities in a significant manner for the growth of labour force. The scope for employment and income in the traditional handicrafts, handlooms etc., is on the decline. All the above 'push factors' had triggered off migration of rural labour to already overcrowded urban areas. Ultimately, it lead to mushroom growth of slums and swelling of urban poverty and unemployment. The bulk of the rural labour force is only unskilled and this exacerbates the problem of unemployment in urban areas to a large degree.

Employment Trends

It may be seen from the Table below that during the sixties and the seventies, the growth of population in the State increased at a faster rate than that of the labour force. This trend got reversed during the last two decades. The Census 1991 and 2001 results show that Tamil Nadu's work force has increased during the eighties and nineties at a rate faster than the growth of population. Thus, between 1961 and 1981, when the growth of population increased by 1.83% per annum, the working population increased at an annual rate of only 1.37%. However, during the eighties, while the growth of population increased at an annual rate of 1.44% per annum, the working population increased at an annual rate of 1.82%. Although the growth rates for the total population as well as the working population had shown decelerating trends during the nineties, yet the working population had increased at a faster rate of 1.40% as against the population growth rate of 1.07% per annum.

Table- Population, Workers & Non-Workers (no. in lakhs)								
Category	1961	%	1981	%	1991	%	2001	%
Population	337	100	485 (1.83)	100.0	559 (1.44)	100.0	621 (1.07)	100
1. Total Workers	154	45.7	202 (1.37)	41.7	242 (1.82)	43.3	278 (1.40)	44.8
(i) Main Workers			190 (1.06)	39.2	228 (1.83)	40.8	237 (0.38)	38.2
(ii) Marginal Workers			12	2.5	14	2.5	41	6.6
2. Non-Workers	183	54.3	283	58.4	317	56.7	343	55.2

(Figs. In brackets are Annual Compound Growth Rates)

The Table indicates that the working population of the State increased from 154 lakhs in 1961 to 278 lakhs in 2001. The Work Participation Rate (WPR), i.e., the proportion of workers to the total population increased from 41.7% in 1981 to 43.3% in 1991 and to 44.8% in 2001. The corresponding figures for all India were 36.7%, 37.5% and 39.3% respectively. Tamil Nadu's rural WPR had increased from 46.48% in 1981 to 48.49% in 1991 and to 50.39% in 2001. For urban areas, the corresponding figures are 32.05%, 33.34% and 37.59%.

The share of different categories with reference to the four-fold classification of workers in the total number of workers may be seen from the table below. The proportion of cultivators had come down from 42% in 1961 to 25% in 1991 and further down to 18.4% in 2001. However, the share of agricultural labour increased from 18.4% in 1961 to 36.2% in 1991 and then declined marginally to 31.1% in 2001. Thus, the proportion of agricultural workers (cultivators + agricultural labour) that had hovered around 60 to 61% till the eighties declined to less than ½ (49.5%) of the total workers during the nineties. The number of workers in the household industry etc. actually declined from 20.60 lakhs (13.4%) in 1961 to 8.70 lakhs (3.6%) in 1991; it increased to 14.59 lakhs (5.3%) in 2001. Household industries particularly handlooms which employed a large number of economically under-privileged population suffered due to a variety of reasons. The declining traditional village industries and crafts are not in a position to accommodate the surplus labour from agriculture.

The employment in the secondary and tertiary sectors is on the rise. The secondary sector employment increased from 37.91 lakhs in 1991 to 57.68 lakhs in 2001 exhibiting an annual growth of 5.22%. Similarly, the employment in the tertiary sector went up from 50.61 lakhs in 1991 to 74.64 lakhs in 2001 indicating an annual growth of 4.75%. The fall in primary sector employment by 11.1% between 1991 and 2001 has been absorbed in the secondary and tertiary sectors by 5.1% and 6.0% points respectively.

Table- Industrial Classification of Workers (no. in lakhs)								
Indl. Category	1961	%	1981	%	1991	%	2001	%
(a) Cultivators	64.55	42.0	58.15	28.8	60.42	25.0	51.14	18.4
(b) Agr. Labour	28.28	18.4	67.68	33.5	87.57	36.2	86.65	31.1
<i>Agr. Workers (a) + (b)</i>	<i>92.83</i>	<i>60.4</i>	<i>125.83</i>	<i>62.3</i>	<i>147.99</i>	<i>61.2</i>	<i>137.79</i>	<i>49.5</i>
(c) Household Industry Manufacturing	20.60	13.4	9.73	4.8	8.70	3.6	14.59	5.3
(d) Other Workers	40.27	26.2	66.42	32.9	85.25	35.2	125.74	45.2
Total Workers	153.70	100.0	201.98	100.0	241.94	100.0	278.12	100.0

Employment & Unemployment situation of the State was last captured in the sixth quinquennial survey on employment & unemployment conducted in the NSS 55th round (July 1999-June 2000)

Employment & unemployment were measured with three different approaches, viz.,

- *usual status* with a reference period of 1 year (365 days)
- *current weekly status* with one week (7 days) ref. pd., &
- *current daily status* based on daily activity pursued during each day of the reference week

In the *usual status* classification, the status of activity on which a person spent relatively longer period of time of the preceding 365 days from the date of survey is

considered as the *principal usual status activity* of the person. A person is considered to be 'working or employed' if the person was engaged for a selectively longer time during the past 1 year in any one or more work-related activities (economic activities). The *current daily status* (CDS) is a better measure to capture unemployment & underemployment than the usual status. The usual status approach adopted for classification of population is unable to compare the changes in activity pattern caused by seasonal fluctuations.

But the estimates obtained by adopting the *current weekly and current daily status* approaches are expected to reflect the overall effect caused by the intermittent changes in the activity pattern during the year.

In the *current weekly status* (cws), a person is considered working or employed if the person was engaged for at least one hour on any one day of the previous week on any work related (economic) activity. In the *current daily status* (cws), up to two activity statuses were assigned to a person on each day of the reference week (the unit of classification was thus 'half day' in the cds). In assigning the activity status on a day, a person was considered working for the entire day if he had worked ≥ 4 hours during the day & for half day for ≥ 1 hour but < 4 hours. Aggregate of person days classified under the different activity categories for all 7 days gives the distribution of person days by activity category during an average week over survey period of 1 year. The estimates of the employed based on the current weekly status gives the average weekly picture while those based on the current daily status gives the average daily picture of employment. The difference between the two rates indicates the *underemployment* of those who had some employment in the week.

Activity status - A person could be in one or a combination of the following three broad activity statuses during a reference period:

- (i) working or being engaged in economic activity (work)
- (ii) being not engaged in work but either making tangible efforts to seek work or being available for work if the work is available
- (iii) being not engaged in any work and also not available for work

Broad activity statuses mentioned in (i) & (ii) above are associated with '*being in labour force*' and the last '*not being in labour force*'

Within the labour force, broad activity status (i) and (ii) are associated with '*employment*' and '*unemployment*', respectively.

Labour force, i.e., the 'economically active' population refers to the population which supplies or seeks to supply labour for production & includes both 'employed' & 'unemployed'. In other words, labour force or work force is the no. of people employed (& self-employed) + those unemployed but ready and able to work. The labour force is defined variously to include, e.g., people whose age in years is over 14 (Italy), 15 (Canada), 16 (America), or in the range 16-64 (Sweden) or 16-74 (Norway). For measuring labour force participation, all the 3 measures adopted for classification of population, viz., usual status, currently weekly status & current daily status, are used. *Labour force participation rate* (LPFR) is defined as no. of persons in labour force per 1000 persons. *Unemployment rate* is defined as the no. of persons unemployed per thousand persons in the *labour force* (which includes both employed & unemployed). This, in effect, gives the unutilised portion of the labour force. Thus, it is a more refined

indicator of unemployment situation in a population than the proportion of people unemployed.

The estimated labour force and employment is shown in the table below:

Estimated labour Force & Employment (in Lakhs)

Year Quinquennial Survey period	Labour Force			Employment (UPSS)		
	Male	Female	Total	Male	Female	Total
1977-78	140.57	95.27	235.84	134.77	89.19	223.96
1983	151.34	99.20	251.24	144.27	96.03	240.30
1987-88	163.94	105.64	269.57	157.35	101.37	258.72
1993-94	178.38	114.13	192.51	173.70	111.90	285.60
1999-2000	188.16	109.34	297.51	182.40	107.30	289.80

The total number of workers is estimated (in 1999-2000) to be 289.81 lakhs giving an unemployment rate of 2.6% under UPSS $\{(297.51-289.81)*100/297.51 = 2.6\}$ If the current daily status is considered, the *unemployment rate* is higher, i.e., 12.05% (36 lakh persons), which is 3rd highest in the country, next only to Kerala & West Bengal.

Unemployment Rates

(on current daily status basis, % of labour force)

State	1987-88	1993-94	1999-2000
AP	7.35	6.67	7.94
Bihar	4.04	6.25	7.35
Gujarat	5.79	5.73	4.63
Haryana	7.59	6.59	4.67
Karnataka	5.06	4.89	4.61
Kerala	21.19	15.5	20.77 (I)
MP	2.86	3.42	4.60
Maharashtra	4.67	4.97	7.09
Punjab	5.07	3.08	4.15
Rajasthan	5.74	1.33	3.06
TN	10.36	11.44	12.05 (III)
West Bengal	8.13	9.87	14.95 (II)
All India	6.09	6.03	7.32

Growth of Labour Force: 2001 - 02 to 2011 - 2012

Estimates of Labour Force- As per NSS 55th round, the estimated labour force of Tamil Nadu in 1999-2000 is 297.51 lakhs. As per the computation, Tamil Nadu's labour force is expected to increase from 304.68 lakhs in 2001-02 to 343.28 lakhs in 2011-2012 with the anticipated annual growth rate of 1.2%. However, with marginally higher growth rate of labour force at 1.4 percent per annum, it is expected to reach 351.51 lakhs in 2011-12. The details are set out in the Table below.

Table- Estimated Size of Labour Force (in lakhs)					
Year	Population	Labour force		Labour force as a % of Population.	
		@1.2%	@1.4%	@1.2%	@1.4%
2000-01	621.11	301.07	301.67	48.47	48.57
2001-02	625.55	304.68	305.89	48.71	48.90
2002-03	630.59	308.34	310.17	48.90	49.19
2003-04	636.12	312.04	314.51	49.05	49.44
2004-05	642.04	315.78	318.92	49.18	49.67
2005-06	648.29	319.57	323.38	49.29	49.88
2006-07	654.00	323.41	327.91	49.45	50.14
2007-08	659.39	327.29	332.50	49.64	50.43
2008-09	664.52	331.22	337.15	49.84	50.74
2009-10	669.41	335.19	341.87	50.07	51.07
2010-11	674.09	339.21	346.66	50.32	51.43
2011-12	678.20	343.28	351.51	50.62	51.83

Note : RG Office Projections, ceteris, paribus, adjusted for latest Census Estimates of Population.

An analysis of GSDP trends show that the growth of primary sector had steeply decelerated from 5.06 per cent per annum during 1984-95 to 1.57 per cent per annum during 1994 - 2001 affecting income and employment for about half of the working population in the State. The secondary sector posted relatively higher growth rate of 6.30 per cent during this period, higher than the long term growth rate of 5.33 per cent per annum during 1984 - 1995.

The tertiary sector registering an accelerated annual growth of 10.0 per cent was the principal contributory factor that had helped to sustain a reasonable over all performance of the State economy during the period 1994 - 2001. The tertiary sector, therefore, holds promise for promoting higher quality of employment and greater employment potential particularly, for educated unemployed and underemployed which however, hinge upon the accelerated growth of infrastructure facilities including transport and communication and supportive policies for increased wage - employment in the Services Sector.

The computation of sectoral elasticities for 1993-2000 reveals that the sectors holding promise for the future are 'Construction', 'Trade', 'Transport' and 'Communication', and 'Financial Services'. 'Manufacturing' sector could help in absorbing a part of the labour force newly emerging. The negative elasticity in agriculture and community services show labour displacement. Agriculture and allied activities is likely to continue to be a major provider of employment opportunities to the bulk of the labour force. However, it is unlikely that the existing proportion of labour force in agriculture could be sustained.

The development of Information Technology and IT enabled services offer good scope for employment for educated unemployed. This would open up high quality employment opportunities to the educated persons. A vast potential exists in development of travel and tourism in Tamil Nadu, known for temples and rich cultural heritage.

Given the pattern of the skills of the labour force dominated by presently illiterate and semi-literate persons, the thrust will have to be necessarily on improving the employability of the un-employed and under employed persons with appropriate skill that are in demand in the secondary and tertiary sectors.

Manpower development to provide rising labour force with skills and training according to the emerging demand pattern is essential to eliminate the mismatch between the supply of and demand for labour.

Employment Guarantee

The Union Finance Minister in his speech for Budget 2004-05 has indicated that work has begun on the National Employment Guarantee Act. The object is to guarantee 100 days of employment in a year to one able-bodied person in every poor household. The Bill would take into account the experience gained in Maharashtra. Pending the enactment of the new law, a new Food for Work Programme would be launched in 150 districts classified as most backward and identified as areas in immediate need of such a programme. Allocations under different schemes like SGRY, SGSY, SJSRY, REGP and PMRY, would be pulled together to support the Food for Work Programme.

The major poverty alleviation and employment generation programmes are listed below.

1. Pradhan Mantri Gramodaya Yojana (PMGY)
2. Swarnajayanti Gram Swarozgar Yojan (SGSY)
3. Sampoorna Grameen Rozgar Yojana (SGRY)
4. Rural Hopusing Schemes like Indira Aawaas Yojana
5. Pradhan Mantri Gram Sadak Yojana (PMGSY)
6. Drought Prone Areas Programme (DPAP)
7. Integrated Watershed Development Programme (IWDP)
8. Antyodaya Anna Yojana (AAY)
9. Swarna Jayanti Shahari Rozgar Yojana (SJSRY)
10. Valmiki Ambedkar Awas Yojana (VAMBAY)

Vocational Education & Training

Globalisation & economic liberalisation have unleashed forces of competitive production of goods & services leading to cost-efficient processes & work organisation like out-sourcing, use of modern technology. This has resulted in reduction of manpower particularly in larger units. Employment in organised sector has shrunk resulting in displacement of workers out of secure & high wage jobs to take up less secure employment in the informal/unorganised sector. Public sector which till 80s had been a source of stable employment has begun to stagnate and even shrink.

Accompanying the reduction in overall labour intensity of growth, there has been significant changes in skill structure of manpower demand with opportunities in highly skilled occupations (e.g., in services sector incl. IT) increasing while those in traditional production processes with routine skills declining. Emerging labour markets thus offer scope for employment & income to only those with skills.

One of the keys to a productive & competitive economy in the new millennium is a well-trained & adaptable work-force. For labour markets to minimize unemployment, workers need to be able to obtain and transfer jobs with updated & enhanced skills, e.g., labour force in agriculture may have to be provided opportunities for employment in industries & service sectors. Thus vocational education and training have become critical for tackling the problem of unemployment & under-employment.

Successive Five-Year Plans & various Committees & Commissions have underscored the prevailing low skills among the Indian labour force in comparison to other countries.

The *Task Force on Employment Opportunities* referred to low skill endowment of the labour force and the strong preference among the young for general education (perceived as a means to landing in high-paid govt. jobs), the inadequacy of VT system in meeting the quantitative as well as the qualitative requirements, and the perception among the employers of skills acquired by those coming out of the state-run training institutions being inadequate.

It recommended a major expansion of general education and increasing its vocational content to generate marketable skills, providing additional resources for strengthening of the Industrial Training Institutes in public sector for upgrading their facilities, greater industry-institution interaction and joint management of training and encouragement to private sector participation in education and training.

The *National Labour Commission* suggestions included a labour market information system to ensure better matching of demand for and supply of marketable skills, ITIs to run market driven courses, reviewing and revising the curriculum every five years and discontinue obsolete trades, forming Industry-institute linkages are important, with the industry providing not only advisory but also managerial inputs.

The Commission recommended a modular approach to vocational training system, in which training consists of small result-oriented modules, which will help in imparting skills attuned to the needs of the labour market, introducing timely need-based changes in curricula and also allow generation of multiple skills. It also recommended introduction of a system of testing competency and certification and new computer-based delivery mechanisms as well as distance learning systems to provide training anywhere and any time.

The *Special Group on Targeting Ten Million Employment Opportunities per Year* pointed out that programmes for development of education and skills should henceforth be geared to the needs of agriculture, small industry, services and self-employment and new areas like information technology, tourism and financial sectors. In so far as the programmes of vocational training of the Ministry of Labour, are concerned the Special Group suggested

- a. expansion of facilities through greater involvement of private sector and NGOs, adequate resources in State Plans, increasing facilities for in-service training, extend apprenticeship programme to more occupations in high-tech areas, services sector and informal sector, adoption of new training delivery methods like distance education and strengthening programmes for training of women and disadvantaged groups
- b. improvement in effectiveness, efficiency and relevance through strengthening institute-industry interaction, developing some of the ITIs as centres of excellence,

setting up a skill development fund on partnership basis between government and industry, allowing vertical mobility of skilled persons across levels of proficiency and education, staff development and motivation and strengthening monitoring mechanism, modularization and multi-skilling, competency-based certification system.

Net addition to fast growing labour force combined with backlog of unemployed/ underemployed persons pose a great challenge to development planning in general & manpower planning in particular. With polytechnics churning out 30,367 technically qualified persons in 2002-03 (intake now about 55,000) & engineering colleges 65,570 in 2002-03 (intake now about 71000), the growth of technical manpower is extremely rapid. Furthermore, these do not include the 300,000 or so people who emerge each year with a collegiate education.

There are 56 Govt. ITIs imparting trg. in 52 Engg. & non-engg. trades with 16854 trainees. Supplementing the State's effort are 615 pvt. ITCs with a seating capacity of 60213 trainees. Besides, there are 424 Indl. Schools with a seating capacity of 38760 trainees.

Apprenticeship training is provided under Apprentices Act 1961 to the ITIs passed out trainees in indl. establishments for periods ranging from 6 months to 4 years to expose them in specific areas of skills in industries. At present 13,872 apprentices are undergoing trg. in 2004 establishments in 153 trades. Admission in govt. ITIs in 2002 was 10,865 (88%) as against a capacity of 12,268 while that in pvt. ITIs 20,375 (63%) as against a capacity of 32,889.

Nearly 7 lakhs of SSLC & 5 lakhs of +2 students appear for school final examinations. Out of these students, a sizable proportion of students do not continue their further education. This manpower is not tapped for development of society- while supplementary wage employment programmes & other infrastructure development programmes could mitigate the problems of uneducated & less educated unemployed persons, educated manpower needs to be properly utilised.

The live registers of the Employment Exchanges give information on number of job-seekers. The total number in the live registers of *Employment Exchanges* as on 31st March 2004 is 49.85 lakhs. The placement – registration ratio in 2003 was 9.2%. A substantial chunk in the Live Register are matriculates and above- 1.22 lakh post graduates, 6.13 lakh graduates & 27.43 lakh matriculates, HSC/PUC & diploma holders (engineering & others).

Year	No. of Registration	No. of Placements	Placement Registration	No. in Live Register
2000	629701	15751	2.50%	4670397
2001	594580	20138	3.38%	4923296
2002	443566	10337	2.33%	5057420
2003	334879	30714	9.2%	4876380
of which	281683	11897	4.2%	2742898
Under Graduates	41754	6763	16.19%	613458
Graduates	28164	143	0.5%	121833
Post-graduates				
2004 (Jan- March)	54488	4790	8.8%	4985289

Source: Department of Employment and Training

The National Vocational Training System seeks to provide training for developing the skills for production in those entering the labour force. Two major resources for such training are the Industrial Training Institutes (ITIs) and the 25,000 Industrial establishments that take part in the Industrial training. The State operates the ITIs and the Central Government trains the Instructors at the Advanced Training Institute. The training is imparted mainly in the Engineering Trades as a response to the requirements during the period of rapid expansion of engineering and capital goods industries in the manufacturing sectors.

The Craftsman Training Scheme ensures training of skilled craftsman with the vast network of Government ITIs established throughout Tamil Nadu. There are at present 53 Government ITIs imparting training in 52 Engineering and Non Engineering Trades with 17,564 trainees. Of these 53 ITIs, 10 ITIs are exclusively meant for women. With a view to meeting the changing industrial needs, 31 Government ITIs were modernized under the World Bank Assisted Skill Development Project and the remaining 21 ITIs under the State Funded scheme during the Plan period.

With a view to supplementing the State's effort, the Government has encouraged private participation in the field of Craftsman training. Under this scheme, 612 private ITIs (or Industrial Training Centres-ITCs) were started in Tamil Nadu with a seating capacity of 59,973 Trainees. Besides, there are 369 Industrial schools functioning in the State with a seating capacity of 29,500 trainees. Apprenticeship training is provided under the Apprentices Act, 1961, to the ITIs passed out trainees in Industrial establishments for periods ranging from 6 months to 4 years to expose them in specific areas of skills in Industries. At present, 13,872 apprentices are undergoing training in 2004 establishments in 153 trades.

The admission in Government ITIs was 10,865 in 2002 as against a capacity of 12,268 (88%) while that in private ITCs 20,735 against a capacity of 32,889 (63%). Thus facilities are available for eligible candidates for undergoing training.

At present **vocational stream** is available in 1506 Higher Secondary Schools and broadly covers seven (7) areas, viz., agriculture, home science, commerce, engineering, health, computer science and others. There are 94 different vocational courses. The time allocation between languages/related subject and vocational component is in the ratio of 1:1. About 1,24,536 students (+2= 60,768 & +1= 63,768) were studying in these courses by 2003. About 40,000 of the above numbers were in the newly introduced computer science course alone. This course has been one of the successful models launched by this State with private companies providing the courses and has been training about 40000 students every year since 1999-2000.

In the past, industry tended to view skill development as a function of the Government and more or less remained passive spectators of the process and recipients of the benefits. There is now a greater realization that the industry is a major stake-holder in skill building / industry associations like CII are now involved in the dialogue with training institutions. Active involvement of industry / employers should help in establishing a better match of skill levels. A new financially self sustaining scheme of Training-cum-Production Centre being implemented by DTE illustrates demand driven, flexible system of skill development along with involvement of private sector. [G.O.Ms. No. 165, Higher Education (B2) Deptt. dt. 7.5.2003].

Earlier, in 1991, the Canada India Institutional Cooperation Project (CIICP), a major HRD project, was launched through a MOU between the Government of Canada

& GOI. The main objective of the Project was to train the staff of Polytechnics in order to improve the quality and enhance the quantum of the human resource potential. The project came to a close on 31st March 1999 but the CIICP initiatives were continued beyond 1999. The programme is now being run on a self-financing basis without financial support of the Government. The technician community especially the poor people and the students were immensely benefited through the cost effective, need based training programs offered by the CIICP polytechnics under Continuing Education programme.

Many polytechnics signed MOU with a number of individual industries and Association of Industries resulting in a close interaction with industries.

The present *Vocational Education and Training System* in Tamil Nadu State is structured as follows:

- Higher Technical Education imparted through professional colleges
- Vocational education (diploma level) through Polytechnics
- Vocational training (Craftsmen Training Scheme) through the network of Government ITIs & private under National Vocational Training System
- Industrial Schools
- Vocational education at degree level through UGC scheme in colleges & universities
- Vocational education within schools at +2 level
- Technical training in specialised institutions
- Apprenticeship training

It has been proposed to undertake a Survey on the status of those who undergo VET, i.e. Vocational Education in Higher Secondary level, Vocational Education Training in Polytechnics and ITIs and also Industrial Schools, i.e. whether they are able to get gainful employment or are self-employed, deficiencies in the system and remedial measures necessary, based on which reform of the VET system could be taken up.