

7 f. LABOUR IN TAMILNADU

“The unemployment rate (in Tamilnadu) is higher than the national average.”

- Tamilnadu Peoples' Manifesto, 1996

Given the warped nature of economic development in Tamilnadu over the last 5 decades or so, chronic unemployment and underemployment are becoming constant features of Tamil society. As late as 1999, Planning Commission estimates placed Tamilnadu as among the 6 States in India who face the prospect of an increase in unemployment due to absolute differences between the growth in labour force and employment opportunities.

As the following statement makes it clear, while employment opportunities in Tamilnadu have grown only in the service sector, agriculture and manufacturing have been languishing for too long.

“The workforce which had grown at the rate of 2.58% per annum in the decade 1971-81 has decelerated to 1.83% per annum in 1981-91. During the period, the work participation in agriculture and allied activities had declined from 2.45% to 1.48%. In manufacturing sector, the growth of work force absorption has declined from 3.92% to 1.00% per annum. The growth of employment in construction activities remained constant at 3.75% in the last two decades. The increase in employment in other services has been substantial.”

- Ninth Five Year Plan: Tamilnadu 1997-2002

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Labour Force

Clear statistics regarding the labour situation, employment, unemployment have been very much lacking.

“The data base for overall employment situation is very limited rendering it difficult for making a meaningful analysis. The two major sources of data presently available are ‘Population Census’ and ‘Quinquennial Employment Survey’ of the National Sample Survey (NSS). But these two sources are not strictly comparable”

- Tamilnadu – An Economic Appraisal 1996-97

The 1980's picture in Tamilnadu on the employment front was dismal. The rate of growth of work force, which was a low 2.58% per annum during 1971-81, declined even further to 1.83% per annum during 1981-91.

In 1991, the worker participation ratio in Tamilnadu was 43.31%, slightly higher than the Indian average ratio of 37.49%. As per the Plan documents of Tamilnadu, the labour force in Tamilnadu, in 1996-97, stood at 285.49 lakhs, out of which, 257.22 lakhs were employed.

In 1996-97, the labour force in Tamilnadu was calculated as 285.49 lakhs, out of which 28.27 lakhs were said to be unemployed.

Unemployment

In Tamilnadu more than the problem of chronic unemployment, it is educated unemployment and underemployment, particularly in the rural (and unorganized) areas which are the highlights of unemployment in the State

“Data on employment / unemployment in India are neither reliable nor even available except for ‘organized’ sector employment. To an extent, the concepts of employment / unemployment relevant for industrially developed economies is not even relevant for India. Unemployment in the formal sense applies only to a small segment of the population. The problems that plague the country are those of underemployment, low productivity employment and ‘casual’ employment”

- The Indian Economy 1998-99 (Alternate Survey)

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- Ninth Five Year Plan Tamilnadu : 1997-2002

Decennial Census, the NSS surveys and Employment Exchange Statistics provide some data on unemployed persons.

“An analysis of NSS, 50th Round on unemployment revealed that the Work Participation Rate in Tamilnadu is 54% in rural areas and 40% in urban areas. The magnitude of underemployment is more serious. The seasonal unemployment and underemployment are the real problems in Tamilnadu”

- Ninth Five Year Plan Tamilnadu : 1997-2002

Unemployment is the major problem especially in the rural and unorganized sectors of Tamilnadu.

“In the rural areas, as against a usual status unemployment of 2.8% for males and 3.5% for females in India...The unemployment rate was 4.0% for males and 4.5% for females (in Tamilnadu), pointing to the need for an Employment Guarantee Scheme (as in Maharashtra)”

- NSSO data (1990)

“ The number of job seekers on the live registers of the employment exchanges increased from 13 lakhs in 1980 to 37 lakhs in 1993. The State’s share of those registered in India overall increased from 7% to more than 10% during this period”

- Tamilnadu Peoples’ Manifesto, 1996

In 1996-97, a total number of 6,50,508 persons were newly registered, seeking jobs, as against 5,01,373 in 1995-96, thus raising the total applicants on live registers as at end-March 1997 to 36.06 lakhs. This was 5.04% increase over the previous year’s 34.33 lakhs. Of the 36.06 lakhs, women applicants accounted for 32.8%. On 31 December 1999, as per Government statistics, a total of 43.70 lakh persons (including 14.96 lakh women) were registered with the various employment exchanges in the State.

But as accepted by Government circles themselves, the role of employment exchanges as a bridge between those seeking jobs and employers has greatly diminished. In 1999, the ratio between registrations and placements stood at a pathetic 26:1.

All through the 1980’s and 1990’s, while the increase in employment in services sector has been substantial, it has declined in almost all the other sectors. Over 1981-91, workers’ employment in agriculture and allied works declined to 1.48% per annum from 2.45% in 1971-81. Over the same period, work force absorption in the manufacturing sector declined from 3.92% to 1.00%.

“Between 1983-84 and 1987-88, the primary sector, which accounts for about one-fourth the NSDP, grew at the rate of 6.77%; however, between 1988-89 and 1992-93 it fell to 5.71%. In roughly the same period (1981-1991) as revealed by Census data, the share of the workforce depending on the primary sector remained virtually unchanged - at about 62%.

The distress in rural Tamilnadu can be gauged by the fact that average employment in a year was 194 days in 1964-65 and in the early-1980s it was only 188 days. Over the 20 year period, rural employment levels were below the average national levels...

This has resulted in high “casualisation” of the labour force. One-third of the men and two-third of the women have become casual labourers in the urban areas. The proportion is even higher in the rural areas

This means a substantial part of the population has been adversely affected by the deceleration in the primary sector. The distress in rural Tamilnadu can be gauged by the fact that average employment in a year was 194 days in 1964-65 and in the early-1980s it was only 188 days. Over the 20 year period, rural employment levels were below the average national levels...

- Tamilnadu Peoples' Manifesto, 1996

In the agriculture sector the proportion of cultivators has declined over the last two decades by about 20% points; they have become labourers. Similarly, in the secondary sector the proportion of workers in household manufacturing has fallen, indicating a change in status, from that of the self-employed to wage worker. This has resulted in high “casualisation” of the labour force; one-third of the men and two-third of the women have become casual workers in the urban areas. The proportion is even higher in the rural areas.

UNORGANISED LABOUR

“Unorganised labour are those who have not been able to organize themselves in pursuit of common objectives on account of constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments and position of power enjoyed by the employer”

- First National Commission on Labour (1966-69)

As per the 1991 Census, 90.60% of the total 286 million main workers in India were in the unorganized sector. Only 9.40% of the total labour force in the country was accounted for by the organized sector. Sector-wise, as many as 99.2% of those employed in the primary sector, 75% of those employed in manufacturing sector, 78% in building and construction, 98% in trade and commerce and 61.5% of those employed in transport, storage and communication were in the unorganized sector.

In Tamilnadu, the organized sector accounted, as of 1991 Census, for only 9.7% of the total employment in the State, which itself was lower than the 9.9% during the 1981 Census.

According to the data in the Employment Market Information Programme (EMIP), total organized sector employment, as on 31st March 1997, was 25.55 lakhs, in which public sector contributed 16.45 lakhs and private sector, 9.09 lakhs.

Among those employed by the organized sector, women accounted for 28.1%.

The 16.45 lakhs employed by the public sector was accounted for by State Government (41.0%), Quasi Government (34.3%), Central Government (14.3%) and Local Bodies (10.4%).

The Government Committee on Unorganised labour in Tamilnadu calculated that about 20,000,000 out of the 25,000,000 total workers in Tamilnadu are in the unorganized sector. Among the major sections of unorganised labour in Tamilnadu are the following:

AGRICULTURAL LABOUR

“In India, there are 74.6 millions of agricultural labourers and in Tamilnadu their population is 78.96 lakhs. It is because of the toiling of agricultural labourers, our 846 million hungry stomachs are getting filled up three times daily. If they do not put their hands in the soil, others cannot put their hands in their food. But, they still remain poorest among the poor in India”

- Kolappan Committee Report (Preface)

The Kolappan Committee Report on Agricultural labourers in Tamilnadu, submitted in 1998 (based on the constitution by the Tamilnadu Government, in August 1997, of the Committee “to analyse the nature and extent of socio-economic problems confronted by the agricultural labourers in Tamilnadu and to suggest the ways and means of improving their levels of living, at least just above the poverty line”) has once brought the debate on the miserable conditions of agricultural labourers in Tamilnadu to front-stage.

In May 2000, the State unit of the CPM's Agricultural Workers Union released copies of the Report, charging the Tamilnadu Government with “deliberately holding back the major recommendations of the Kolappan Committee on farm labour even 16 months after it was submitted”. In the 2000 Budget Session, the State Govt. announced ‘the acceptance of the Kolappan Committee’s recommendations’.

Much of the analysis and many of the suggestions given by the committee, surely, need the urgent attention of the government.

TABLE
DISTRICT-WISE TOTAL WORKERS, MAIN WORKERS, MARGINAL WORKERS, LABOURERS AND
INDUSTRIAL CATEGORY OF MAIN WORKERS IN TAMILNADU

S.No.	District	Persons Males/ Females	Total Workers	Main Workers	Marginal Workers	Cultivators	Agricultural Labourers
1.	Madras	P M F	1173062 1016526 156536	1171739 1015704 156035	1323 822 501	833 852 31	199 176 23
2.	Chengalpattu-MRG	P M F	1771326 1275136 496190	1691977 1267854 424123	79349 7282 72067	273563 219021 54542	569341 318296 251045
3.	North Arcot Ambedkar	P M F	1223243 832850 390393	1148042 827726 320316	75201 5124 70077	268734 210640 58094	378770 199411 179359
4.	Dharmapuri	P M F	1156040 715659 440381	1070306 712960 357346	85734 2699 83035	497172 364669 132503	359836 170482 189354
5.	Thiruvannamalai	P M F	932432 565979 362853	882434 565898 316536	49998 3681 46317	343981 259384 84597	357117 155924 201193
6.	South Arcot Vallalar	P M F	880713 594223 286490	818697 591356 227341	62016 2867 59149	225618 183574 42044	364973 207198 157775
7.	Villupuram	P M F	1250009 773279 476730	1142429 769339 373090	107580 3940 103640	449926 358784 91142	513413 258214 255199
8.	Salem	P M F	1918826 1227415 691411	1803139 1223298 579841	115687 4117 111570	465041 325632 139409	618515 314848 313667
9.	Periyar	P M F	1213560 774755 438805	1152410 772522 379888	61150 2233 58917	274235 195335 78900	450036 234795 215241
10.	Nilgris	P M F	288869 184113 104756	281048 182362 98686	7821 1751 6070	10922 8675 2247	24992 14745 10247
11.	Coimbatore	P M F	1583452 1122966 460486	1552076 1121047 431029	31376 1919 29457	185562 136520 49042	455700 240334 215366
12.	Dindigul	P M F	864770 531459 333311	832493 529891 302602	32277 1568 30709	216559 149874 66685	366338 181821 184517

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13.	Tiruchirappalli	P M F	1919755 1205434 714321	1801141 1200468 600673	118614 4966 113648	600983 424039 176944	648518 313858 334660
14.	Thanjavur	P M F	855966 602300 253666	796022 597057 198965	59944 5243 54701	196709 165760 30949	346310 212531 133779
15.	Nagapattinam	P M F	982801 675007 307794	909057 669064 239993	73744 5943 67801	180844 161174 19670	487676 296265 191411
16.	Pudukottai	P M F	587254 367688 218566	516835 363037 153798	70419 4651 65768	251181 186962 64219	133588 64225 69363
17.	Pasumpon	P M F	497104 290846 206258	423737 287778 135957	73369 3068 70301	185828 130300 55528	122894 61651 61243
18.	Madurai	P M F	1517583 979676 537907	1453729 976272 478457	62854 3404 59450	249751 177084 72667	636323 326359 309964
19.	Kamarajar	P M F	783741 454693 329048	749912 452608 297304	33829 2085 31744	145118 92475 52643	245133 113915 131218
20.	Ramanathapuram	P M F	519753 313376 206377	453837 310969 142868	65916 2407 63509	219832 149875 69957	97308 44778 52530
21.	Chidambaranar	P M F	605584 381357 224227	576878 379331 197547	28706 2026 26680	108824 75267 33557	192836 98385 94451
22.	Tirunelveli	P M F	1180369 668831 511538	1106043 662935 443108	74326 5896 68430	251257 181371 69886	349069 184055 165014
23.	Kanyakumari	P M F	488131 400303 87828	464087 395041 69046	24044 5262 18782	61567 57968 3599	177410 159305 18105
24.	Tamilnadu	P M F	24194343 15957471 8236872	22799066 15874517 6924549	1395277 82954 1312323	5664090 4215235 1448855	7896295 4171571 3724724

Source : Tamilnadu - An Economic Appraisal, 1996-97

Rural Tamilnadu is faced with “severe unemployment and underemployment’ as the industrialization of the 1990’s had failed to absorb the surplus labour in agriculture

Agricultural workers constitute by far the largest segment of workers in the unorganised sector. In Tamilnadu, 66% of population is still dependent on agriculture and 59.4% of the total workforce is in agriculture sector.

Rural Tamilnadu is faced with “severe unemployment and underemployment’ as the industrialization of the 1990’s had failed to absorb the surplus labour in agriculture. An estimated 16 lakhs had joined the ranks of agricultural labour force in the 1990’s in the State.

As per the Kolappan Report, there are 78.96 lakhs of agricultural labourers and 56.64 lakhs of cultivators (1995-96). Among the districts in the plains, the number of agricultural workers varied from a minimum of 1.23 lakhs in Pasumpon district to a maximum of 6.36 lakhs in Tirunelveli district. Further in the hill district of Nilgiris, the agricultural labour population is 0.25 lakh. Similarly, the agricultural labour population in Madras (Chennai) district is only 199.

Due to their low social status in the rural hierarchy and economic problems such as inadequacy of employment opportunities, poor security of tenure, low income and inadequacy of diversification of economic activity, the situation of the agricultural labour is indeed quite bad. And being dispersed and unorganized, agricultural labourers have minimal bargaining power to demand a rational wage structure.

Agricultural operations are seasonal and agricultural workers are faced with unemployment during the lean months, which can be as long as 6 months. During off seasons, they migrate to urban centres in search of jobs, upsetting family situations and general welfare.

In Tamilnadu, a male agricultural labourer gets, on an average, 150 days of work in a year, and a female gets about 100 days in a year. It ranged from a minimum of 90 days to a maximum of 120 days for women and from a minimum of 120 days to a maximum of 240 days for men.

Policy Recommendations

Minimum wages for agricultural labourers needs to be set as follows for the year 1998-99 and revised every 5 years:

Man Labour (6 hrs)	Rs 54 /- per day
Woman Labour (5 hrs)	Rs 45 /- per day

The Minimum wages Act 1948 needs to be enforced uniformly in all the districts of Tamilnadu, by scrapping the Fair Wages Act 1969 (prevalent only in Nagai and Thiruvarur districts).

The old age pension scheme, now implemented by Tamilnadu Govt. to those who have attained the age of 60 and having no sons, needs to be extended to cover all agricultural workers of age 60, irrespective of presence of sons / daughters.

A gratuity-cum-Provident Fund Benefit Scheme for agricultural labourers, on the pattern of Kerala, needs to be introduced in the State.

A "Tamilnadu Agricultural labourers Welfare Act" and an "Agricultural Labour Development Board" should be enacted to implement the various welfare measures including minimum wages, through a single window, for agricultural labourers.

A Crop Insurance Scheme on the pattern of 'livestock insurance' and 'life insurance' needs to be introduced.

A "Tamilnadu Agricultural labourers Welfare Act" and an "Agricultural Labour Development Board" should be enacted to implement the various welfare measures including minimum wages, through a single window, for agricultural labourers

Other major sections of unorganised workers in Tamilnadu, (as per the Govt. Committee) are:

- **Auto rickshaws- and taxi- drivers**
 - More than 1 lakh workers
 - Minimal trade union activities
 - No job security or future benefits
 - Brought under the 1948 Minimum Wages Act and minimum wages modified by TN Labour Dept. G.O. No.605

- **Appalam Making**
 - About 25,000 workers
 - Though spread all over the State, more concentrated in Chennai and the districts of Madurai, Tirunelveli, Salem, Coimbatore and Tiruchy
 - More women than men are involved in the work. Yet women normally get only 50% of the wage of men for same work.
 - Being small in number and dispersed, no organizational strength
 - Brought under the 1948 Minimum Wages Act and minimum wages modified, latest, by TN Labour Dept. G.O No.8 (18-03-96)

- **Dyeing and Bleaching works**
 - More than 1 lakh workers
 - Found mostly in the districts of Karur, Tiruppur, Erode, Coimbatore, Madurai and Chingleput
 - Both men and women equally employed
 - Work conditions very bad, unhygienic and detrimental to health
 - Due to fear of employers, no incentives for union activities
 - Brought under the 1948 Minimum Wages Act. And TN Labour Dept. G.O. No.637 (8-3-1983) fixed Rs 65.07 as daily minimum wage

- **Bricks and tiles making**
 - About 75,000 workers
 - Though spread throughout the State, concentrated more in and around Manamadurai, Rajapalayam, Chingleput, Salem, Vellore, Hosur, Tirunelveli and Tiruchy
 - Mostly in bonded conditions under contractors and constantly migrating
 - Brought under the 1948 Minimum Wages Act and minimum wages modified by TN Labour Dept. G.O No.600 (6-7-1994)

- **Cashew workers**
 - Found mostly in Kanyakumari and South Arcot (Villupuram, Cuddalore) districts and parts of Thanjavur district. In Kanyakumari district alone, about 50,000 workers are employed in about 280 cashew factories.
 - Mostly women are employed
 - Contributing great in terms of foreign exchange and mostly controlled by agents from Kerala.
 - Prone to diseases such as cancer and various skin ailments
 - Latest amendment under the 1948 Minimum Wages Act was done by TN Labour Dept. G.O No.20 (2-4-1996)

- **Catering Establishments**
 - As of 1999, 10,855 establishments, employing 91,818 workers, had been registered under the 1958 Act
 - Union activities strong among workers in cities like Chennai, Madurai, Coimbatore, Tiruchy, Salem and Tirunelveli, but not in other rural areas
 - Brought under the 1948 Minimum Wages Act and modified, latest, by TN Labour Dept. G.O.No. 65 (10-10-1995)
 - Brought under the 1958 Tamilnadu catering Establishments Act, which protects the workers from unlawful dismissals etc.

- **Copra works**
 - About 22,000 workers
 - Found in Pattukottai (Thanjavur district), Melur (Madurai district), Tiruchy district, Vazappadi (Salem district) and in the districts of Vellore, Dindigul, Theni and Ramanathapuram
 - Even during heavy seasons, work available only for 15-17 days in a month
 - Mostly operating under contractors
 - Protected by no law except the 1948 Minimum Wages Act

- **Coir works**
 - More than 15,000 workers
 - Found in Pollachi, Pattukottai, Vazappadi and in the districts of Kanyakumari, Dharmapuri, Thoothukudi and Tirunelveli.
 - Work available seasonally for about 6 months starting in January
 - Under the 1948 Minimum Wages Act and modified by TN Labour Dept. G.O. No 52 (27.7.1995)

- **Gas Cylinders Distribution**
 - About 15,000 boys / workers
 - Based on categories of Corporations, Municipalities, Townships and others, minimum wages have been fixed by Tamilnadu Govt. at Rs. 680/-. A further allowance of Rs 486.85 /- per month has been stipulated since 1-4-1997.

- **Fisher folk**
 - In Both coastal and inland fisheries, about 4.97 lakh workers
 - Though brought under the 1948 Minimum Wages Act, no minimum wages fixed yet!

- **Footwear producers**
 - About 15,000 workers, spread all over Tamilnadu
 - Employed either on the roads or as workers under contractors
 - Though brought under the 1948 Minimum Wages Act, benefits reach only those who come under the Factories Act.

- **General Engineering, Fabrication and Automobile workshops**
 - More than 27,000 in auto workshops and about 64,000 in Engineering workshops
 - Though brought under the 1948 Minimum Wages Act, benefits reach few, since most workshops employ less than 10 workers

- **Gold and Silver works**
 - About 67,000 workers, found mostly in towns and cities
 - Mostly home-based and escaping minimum wages legislations
 - Brought under unions in corporations like Chennai, Madurai and Coimbatore and district headquarters like Tiruchy, Salem and Ramanathapuram
 - Being mostly traditional, children get involved very early in the work, thus denied education facilities
 - Brought under the 1948 Minimum Wages Act and minimum wages last modified by G.O. No 234 (16-2-1990)

- **Sacks trade**
 - Seasonal (harvest times) in rural areas and throughout the year in towns and cities
 - Though mostly men, children do get inducted often
 - Brought under the 1948 Minimum Wages Act and minimum wages modified, latest, by G.O. No 1256 (28-6-1989)
 - Minimum wages fixed at Rs 25-35, with a daily allowance of Rs 42.60, stipulated since 1-4-1997

- **Hairdressing saloons**
 - Mostly hereditary and mostly not unionized and unorganised
 - Brought under the 1948 Minimum Wages Act and minimum wages modified, latest, by G.O. No 10 (4-1-1995)

- **Handlooms and silk weaving**
 - Next to agriculture, the most important sector of unorganised workers in Tamilnadu, and spread throughout the State
 - The major sections are the single @ self-employed weavers, the big weavers, wage-earning weavers and members of cooperative weaving societies
 - More than 90% do the work at home, in very unhealthy conditions of limited space. Children too get inducted in the trade
 - Brought under the 1948 Minimum Wages Act, and minimum wages

- **Washermen and laundries**
 - More than 25, 000 workers (may be much more, according to groups!) involved as washermen and working in laundries
 - Workers in laundries brought under the Minimum Wages Act, the last minimum modification being TN Labour Dept G.O. No 252 (27-2-1995)

- **Loadmen**
 - More than a lakh workers, working in railway goods sheds, go-downs, markets etc, spread throughout Tamilnadu
 - Concentrations are in railway good sheds, Gandhi market and Tiruvaanaikoil areas in Tiruchy, in Valinokkam, Thirupularani, Devipattinam and Tondi salt pans in Ramanathapuram district, in the mills of Athur, Thammappatti, Magudanjavadi, Thalaivasal and Ayothiappattinam in Salem district, in the dyeing and handloom industries in Erode district and in Waltax Road, Guindy Industrial estate, Ambattur estate, Koimbedu market and other areas in northern Chennai....
 - Though at times unionized, mostly in the grip of contractors
 - No protection except the 1948 Minimum Wages Act

- **Fireworks and Match Industries**
 - 1631 units employing 90383 workers have been registered under the 1948 Factories Act
 - Mostly concentrated in Gudiyatham in Vellore district, Sivakasi and Sattur in Virudhunagar district and Kovilpatti in Thoothukudi district
 - Just like Beedi workers, mostly home based, involving large number of women and children
 - At the end of 1996-97, 84,045 workers (ages from 10 to 65) had been registered under the Accident Insurance scheme
 - Brought under the 1948 Minimum wages Act and minimum wages last modified by TN Labour Dept G.O. No 852 (7-10-1997)
- **Toddy tappers**
 - More than 25,000 workers involved in toddy tapping, jaggery making and related works
 - Protected by no legislation except the notification dated 1-4-1997, fixing the minimum daily wages as Rs 25 for tapping and Rs 15 for jaggery makers, plus an allowance of Rs 64/-
- **Power loom workers**
 - About 8.85 lakh workers in the 2.43 lakhs officially registered power looms and more than 1 lakh unregistered power looms in Tamilnadu
 - Most of them in bonded situations under the big owners
 - Most of the looms, under the pretext of not employing more than 10 persons, escape the provisions of 1948 Factories Act
- **Press Workers**
 - About 27,408 workers, mostly concentrated in Sivakasi, though spread out all throughout the State too
 - Most of the presses do not come under the 1948 Factories Act
 - Brought under the 1948 Minimum Wages Act and minimum wages have been fixed, latest, by the TN Labour Dept. G.O. No 69 (3-11-1995). But reports from Sivakasi have found out that workers get hardly Rs 650-750 per month as wages
- **Rice Mills and other grain mills**
 - More than 15,000 workers, spread throughout the State
 - Employment mostly according to agricultural seasons
 - Hardly brought under the 1948 Factories Act
 - Brought under the 1948 Minimum Wages Act, and minimum wages fixed, latest, by TN Labour Dept. G.O. No 21 (18.04.1996)
- **Salt pans**
 - More than 20,000 workers employed in the about 400 salt pans, spread throughout the State, but mainly in Thoothukudi, Thiruchendur, Arumuganeri, Vedaranyam and Kanyakumari district
 - Only 136 units, employing 3041 workers have been registered under the 1948 Factories Act
 - Brought under the 1948 Minimum Wages Act and minimum wages fixed by TN Labour Dept. G.O. No 15 (28-3-1996)

- **Shops and Establishments**
 - About 4,12,628 workers in about 2,56,472 units spread across all the districts of the State
 - Relatively better protected by legislations such as the 1948 Minimum Wages Act, the 1958 Tamilnadu Factories (National and religious Holidays) Act, and the 1961 Maternity Benefits Act
 - Minimum wages fixed, latest, by TN Labour Dept G.). No 10 (4.1.1995)

- **Gem Cutting**
 - More than 1 lakh workers, mainly concentrated in Tiruchy, Pudukkottai, Erode, Karur and Salem districts
 - Mostly under bonded conditions, in the grip of contractors and brokers
 - Brought under the 1948 Minimum Wages Act and minimum wages fixed, latest, by TN Labour Dept. G.O. No 11 (18-3-1996)

- **Tailoring**
 - About 2.25 lakhs workers, spread throughout the State but found in greater numbers in Chennai, Coimbatore, Madurai, Karur, Tiruppur, Vellore and other district headquarters
 - The major 3 sections are the self-employed, those employed by agents and those employed in garment factories
 - Brought under the 1948 Minimum Wages Act and minimum wages fixed, latest, by TN Labour Dept. G.O. No 40 (18-1-1994)

- **Vessels making**
 - More than 50,000 workers, spread throughout the State, but concentrated in Chennai, Coimbatore, Thanjavur, Madurai, Karaikudi and in places in Tirunelveli district
 - Mostly operating through agents of contractors
 - Brought under the 1948 Minimum Wages Act and minimum wages fixed, latest, by TN Labour Dept. G.). No 607 (8-7-1994)

- **Bullock cart drivers**
 - More than 12,000 workers, employed mostly around lorry sheds, go-downs, markets, factories and construction areas
 - Not brought under any Factories Act or Minimum Wages Act

- **Shamiana workers**
 - 6952 workers, spread throughout the State, but mainly concentrated in Chennai, Coimbatore, Madurai, Tiruchy and Tirunelveli Municipality areas
 - Not brought under any Factories Act or Minimum Wages Act

- **Tin boxes making**
 - More than 2500 workers, mostly concentrated in Virudhunagar and around
 - Subsidiary work of manufacturing of oil, Ghee, vanaspathi and cashew
 - Not brought under any Factories Act or Minimum Wages Act

- **Forest products collection**
 - About 28,000 out of the 5.74 lakhs tribals in the State involved
 - Mostly in hills of Kollimalai, Yercadu, Kalvarayan, Pachaimalai, Yelagiri and Javadu hills
 - Both men and women involved in the collection of honey, firewood, tamarind, vegetables and fruits, through tenders issued by contractors
- **Pen manufacturers**
 - Mainly in Virudhunagar district, especially Sattur and around. More than 100 workers in Virudhunagar district alone
 - Not brought under any Factories Act or Minimum Wages Act
- **Cooks**
 - About 18,000 workers
 - Mostly in festival seasons and working under agents
 - Not brought under any Factories Act or Minimum Wages Act
- **Rag pickers**
 - Mostly children from poor families
 - Mostly in the control of contractors and subjected to many social exploitations
 - Concentrated in the corporations of Chennai, Madurai and Coimbatore
 - No protection under any legislation
- **Roadside shops**
 - About 25,000 workers
 - Not protected by any legislation for Minimum Wages etc.

Based on a study of limited scope, the Tamilnadu Manual Workers (Regulation of Employment and Conditions of work) Act was passed in 1982. The rules under the Act were framed in 1986. 12 employments in the unorganized sector were brought under the schedule of the Act.

Based on more detailed studies by three committees, 43 new employments were added, in 1998, to the schedule of the 1982 Act. Two other employments (cycle repairs and domestic workers) were subsequently added.

In 1999, based on the promise of a principal Labour Welfare Board for unorganised workers, the Tamilnadu Manual Workers Social Security and Welfare Board was constituted. The three major schemes under the Board are 1) Group Personal Accident Relief Scheme 2) Maternity Benefit Scheme and 3) Terminal Benefit Scheme.

The new scheme, bringing under its purview millions of people in 54 occupations newly notified under the Manual Workers Act (1982), came into force on 26 January 2000.

Minimum Wages as “Social Safety Net”

“In fixing minimum wages, two important aspects must be borne in mind. One is, the minimum wage must cover to a considerable extent the costs of living (need based) and the two is it must be above the poverty line. In determining the need based minimum wages, the family budget expenditure of the (agricultural labour) family must be considered”

- Kolappan Committee Report

As many as 83 employments in the unorganized sector were included in the schedule to the Minimum Wages Act 1948. To implement the 1948 Act, the Tamilnadu Minimum Wages (Madras) Rules were framed in 1953. Since then minimum wages have been revised for different categories of workers. And, the Factory Inspectorate claims to enforce the payment of minimum wages in 50 scheduled employments out of the 73 scheduled employments specified under the Minimum Wages Act in Tamilnadu.

Table
AGRICULTURAL WAGE RATES PREVAILING IN VARIOUS DISTRICTS OF TAMILNADU (in Rupees)

Sl.No.	District	Ploughing Men	Sowing		Transplanting	Remarks
			Men	Women		
1	Villupuram	50-75	30-40	...	15-40	Cash 30-50 or 1/7 th of harvested produce
2	Thiruvavur	100	50-60	30-40	25-40	1/6 to 1/7 th of Harvest Produce (12 Lts. = 9.10 Kg)
3	Nagapattinam	100	35-50	24-40	25-40	1/7 to 1/8 th of Harvest Produce
4	Thanjavur	100	30-50	25-40	25-35	1/7 to 1/8 th of Harvest Produce
5	Pudukottai	100	50	...	40	1/7 to 1/8 th of Harvest Produce
6	Madurai	100-150	50	20	Cont 320-420	8 Measures/Women - 12 Measurers/Man
7	Dindigul	80-120	30-50	15-30	15-30	1/7 of 1/8 of harvest produce
8	Nagercoil	120-150	50	...	30	Wage Men - 3 ^{1/2} kottai ; Women-2 ^{1/2} kottai
9	Tirunelveli	100	50-70	25	25	2-3 measures or Rs.900-1000/acre
10	Tuticorin	100	50-70	25-30	25-30	1/7 th of 1/8 th harvest produce
11	Coimbatore	150	50-70	30-35	40	1/7 th of harvest produce
12	Erode	150	50-70	25-35	32-35	Men 80-150 Vallam - Women 80-120 Vallam
13	Salem	150	50-75	25-40	32-35	20 lt/ac or 1/6 or 1/7 th harvested produce
14	Namakkal	150	50	20-40	20-40	20 lt/ac or 1/6 or 1/7 th harvested produce
15	Dharmapuri	100	40-50	20-35	40	Men 15 kg. Women 10 Kg. of 1/7 th of Harvested produce
16	Tiruvannamalai	100	40-50	...	15-40	1/7 th of harvested produce
17	Vellore	100	40-50	...	15-40	1/7 th of harvested produce or Men-3 Marakkal; Women-2 Marakkal
18	Kancheepuram	100	50	...	25-40	5-8 Padi or 300 kg/ac.
19	Tiruvallur	100	50-80	...	30-40	60-75 Marakkal/ac
20	Cuddalore	60	40-50	25-30	20-30	Rs.1000 - 1200/ac
21	Trichy	100	40-50	25-30	25-40	1/7 th of harvested produce
22	Karur	100	40-50	25-30	25-40	1/7 th of harvested produce
23	Perambur	120	50	25-30	20-25	1 th of harvested produce
24	Sivagangai	100-120	40-60	30	30	1/6 th or 1/7 th harvest produce
25	Virudhunagar	100-130	40-50	25-30	20-30	1/6 th of harvested produce
26	Ramanathapuram	100	40	25-30	20-30	1/7 th or 1/78 th of harvest produce

The broad spectrum of the labour policy includes maintenance of cordial labour-management relations, strict enforcement of labour laws to ensure better working and living conditions of the labour, social security, human rights and employment

Still vast majority of workers, especially the unorganised, have not been able to benefit by the various Minimum Wages Acts. The Acts are hardly effective, since every minimum wage legislation gets blocked by employers in the courts, Hence there is a long-felt need to include the Minimum Wages Act in the XI Schedule of the Constitution, so that legal loopholes are closed.

And, more often than not, minimum wages fixed are not in accordance with the norms set forth by the Standing Labour Committee that minimum wages should provide a decent standard of living for the workers and his/her family to be able to live in security and dignity.

“There is an urgent need to carry out a fresh working class Income and Expenditure Survey for constructing and compiling a new series of Consumer Price Index numbers for industrial workers. The highly faulty index based on the year 1982 has failed to provide adequate standard of living in the context of spiraling prices. This is violative of the recommendations of the ILO as well as of the National Commission of Labour on the need to hold Family Budget surveys at intervals not exceeding 10 years. Trade Unions have repeatedly pointed out the inaccuracies in the consumer Price Index numbers...”

- Tamilnadu Peoples' Manifesto, 1996

Even the awareness about minimum wages is very minimal.

“During the visit in the districts, the Committee found that there was no awareness among the rural people about the minimum wages fixed in the State. The publicity in the districts regarding the minimum wages was not sufficient”

- Kolappan Committee Report

Hence there is a serious need to take up proper publicity and propaganda measures, not only in making workers and employers aware of but also in enforcing the provisions of the Minimum Wages Acts and Rules.

Labour Policy

“The broad spectrum of the labour policy includes maintenance of cordial labour-management relations, strict enforcement of labour laws to ensure better working and living conditions of the labour, social security, human rights and employment”

- Policy Note on Labour, 2000

India is a founding member of ILO and a permanent member on the Governing body, amongst the 10 countries of chief industrial importance. It is important that India and Tamilnadu cease to stay at the level of high principles of labour policy and start to develop really, in practice, a system of rules and regulations to really ensure that the vast majority of workers in the State and the country begin to enjoy 'better working and living conditions, social security, human rights and employment'.

The 2nd National Commission for Labour was set up by the Central Govt. on 15th October 1999, and is expected to submit its report within 2 years. It is expected to suggest 1) rationalization of existing laws relating to labour in the organized sector and 2) also an umbrella legislation for ensuring a minimum level of protection to the workers in the unorganized sector.

It is becoming more and more clear that any relevant labour policy must be based on the effort to make employment generation the first priority of any developmental effort. It is in this context, there is a need for a radical shift in Tamilnadu Government's policy of neglecting employment opportunities, mainly in the rural areas.

"To bring the (agricultural) labourers above poverty line, one of the important means is creating more employment opportunities. Therefore, our long-term strategy must be to create infrastructures for generating more employment opportunities in rural areas with the available potential.."

- Kolappan Committee Report

It is obvious that the new economic policy, with its stress on big industries, IT Service Sectors etc has resulted in vast number of labourers being thrown on to the roads, especially from the small scale industries and rural unorganised sectors. There are hardly any monitoring devices to check the magnitude of labourers losing their jobs over the last decade. In March 2000, CITU claimed that over the last two years alone, 300 factories in Tamilnadu had been closed and that the whole small scale sector in the State was in shambles.

While the pressure to change labour laws in the country and the State to suit the demands of globalisation, there is an urgent need to stress that the basic concerns of labour (Right to work, social security and human rights) should be the focal point around which the labour laws of the country and the State need to be transformed.

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